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# **A Study On**

**“Effects of Sales Promotions on Consumer Preferences and  
Brand Equity Perception”**

**(With specific reference to FMCG Products)**

**Thesis**

**Submitted in partial fulfillment of the requirements for the  
Degree of Doctor of Philosophy to Saurashtra University**

**Under the Guidance of**

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**February 2011.**

## **Declaration**

I declare that the conceptual framework of the thesis has been developed based on the detailed and through literature Review as shown in the bibliography section. I have quoted several statistics, notes, opinions, and other information directly from the various books, journals, periodicals, and other reference materials with clear mention of the source of the information in the footnote references.

Apart from these, all other opinions, hypothesis, remarks, inferences, analysis and interpretations in this thesis are my own and original creation.

Moreover, I also declare that for the work done in the thesis, entitled “Effects of Sales Promotions on Consumer Preferences & Brand Equity Perception” (With specific reference to FMCG Products) is a record of independent research work carried out by me under the supervision and guidance of Dr Sanjay J. Bhayani, Associate Professor, Department of Business Management, Saurashtra University , Rajkot.

This work has not been submitted for the award of any diploma, degree, associate ship or other similar title.

Place: Rajkot

Haresh B. Vaishnani

Date:

Date:

### **Certificate**

It is certified that the thesis entitled “Effects of Sales Promotions on Consumer Preferences & Brand Equity Perception” (With specific reference to FMCG Products) is a record of research work done by Haresh B. Vaishnani, during the period of study, under my supervision and guidance and thesis has not formed the basis for the award of any degree, diploma, associate ship, fellowship or similar title to the candidate and it represents independent work on the part of the candidate.

Dr Sanjay J. Bhayani

Associate Professor, Research Supervisor

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## **Abstract**

The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 20.1 billion. It has a strong MNC presence and is characterized by a well-established distribution network, intense competition between the organized and unorganized segments and low operational cost. Availability of key raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage. Also, increase in the urban population, along with increase in income levels and the availability of new categories, would help the urban areas maintain their position in terms of consumption. At present, urban India accounts for 66% of total FMCG consumption, with rural India accounting for the remaining 34%. However, rural India accounts for more than 40% consumption in major FMCG categories such as personal care, fabric care, and hot beverages.

Family income is one of the variables which should be considered while designing sales promotion schemes more specifically cash discount. There is significant difference between consumer preference of cash discount and free gift as sales promotion schemes. It is also very clear that consumers prefer cash discount as a sales promotion schemes compare to free gift as a sales promotion scheme. It is found that Consumer deal proneness differs according to marital status. Furthermore, it is also proved that married are more deal prone compare to Unmarried. Added to it Brand Equity perception differs according to employment categories. It is concluded that male prefers the newspaper and point of purchase material as a source to know sales promotion schemes over female.

Overall, Sales promotion scheme on international brand, awareness spread out by word of mouth, Scheme is value added type with immediate benefit is preferred by the customers. So while designing sales promotion schemes and its benefits from the perspectives of the customers above mentioned attributes of the sales promotion schemes should be considered to achieve the objectives of the sales promotion schemes.

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## Acronymes

AA – Attribute Additivity

ACA – Adaptive Conjoint Analysis

AD- Advertised Discount

ANOVA – Analysis of Variance

AR - Attribute range

B2B – Business to business

BoP – Bottom of the pyramid

BQ – Brand Equity

BQP – Brand Equity Perception

CD – Cash Discount

CI – Consumer Purchase Intentions

CII - Confederation of Indian Industry

CPG - Consumer packaged goods

DF- Degree of Freedom

DP – Deal Proneness

FG – Free Gift

FMCG - Fast Moving Consumer Goods

GCMMF – Gujarat Co operative milk Marketing Federation

GDP - Gross Domestic Product

GST - Goods and services tax

HB - Hierarchical Bayes

HUL- Hindustan Unilever Limited

IIA - Irrelevance of Independent Alternatives

ITC - Indian Tobacco Company

ITR – Internal Reference Price

MAE - Mean Absolute Error

MNC – Multi national Corporate

NGO – Non Government Organization

NOL - Number of levels effect

OCBs - Overseas Corporate Bodies

P&G – Procter and Gamble

PD – Perceived Discount

POP – Point of Purchase

POS – Point of Sale

RFC - Randomized First Choice

ROI – Return on Investment

SP – Sales Promotion

SPS1 – Sales Promotion Scheme 1

SPS2 – Sales Promotion Scheme 2

SPS3 – Sales Promotion Scheme 3

SPS4 – Sales Promotion Scheme 4

SPS5 – Sales Promotion Scheme 5

SPS6 – Sales Promotion Scheme 6

SPS7 – Sales Promotion Scheme 7

SPS8 – Sales Promotion Scheme 8

SPS9 – Sales Promotion Scheme 9

SPS10 – Sales Promotion Scheme 10

SPS11 – Sales Promotion Scheme 11

SPS12 – Sales Promotion Scheme 12

SPS13 – Sales Promotion Scheme 13

TV - Television

USA – United States of America

WOM – Word of Mouth

# **Chapter 1**

## **Introduction:**

1.0 FMCG Industry- Introduction

1.1 Leading FMCG companies & Industry Potential

1.2 The FMCG Industry & Trends

1.3 Investing In India

1.4 Pre and Post liberalization scenario

1.5 FMCG Categories & Products

1.6 Sales promotions Introductory Ideas

1.7 Sales promotion Objectives

1.8 Sales Promotion Effectiveness

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# Chapter 1

## **1.0 Introduction:**

**FMCG industry**, alternatively called as CPG (Consumer packaged goods) industry primarily deals with the production, distribution and marketing of consumer packaged goods. The Fast Moving Consumer Goods (FMCG) is those consumables which are normally consumed by the consumers at a regular interval. Some of the prime activities of FMCG industry are selling, marketing, financing, purchasing, etc. The industry also engaged in operations, supply chain, production and general management.

## **FMCG Industry Economy:**

**FMCG industry** provides a wide range of consumables and accordingly the amount of money circulated against FMCG products is also very high. The competition among FMCG manufacturers is also growing and as a result of this, investment in FMCG industry is also increasing, specifically in India, where FMCG industry is regarded as the fourth largest sector with total market size of US\$20.1 billion. FMCG Sector in India is estimated to grow 60% by 2011. FMCG industry is regarded as the largest sector in New Zealand which accounts for 5% of Gross Domestic Product (GDP).

## **Common FMCG products:**

Some common FMCG product categories include food and dairy products, glassware, paper products, pharmaceuticals, consumer electronics, packaged food products, plastic goods, printing and stationery, household products, photography, drinks etc. and some of the examples of FMCG products are coffee, tea, dry cells, greeting cards, gifts, detergents, tobacco and cigarettes, watches, soaps etc.

### **Market potentiality of FMCG industry:**

Some of the merits of FMCG industry, which made this industry as a potential one, are low operational cost, strong distribution networks, presence of renowned FMCG companies. Population growth is another factor which is responsible behind the success of this industry.

#### **1.1 Leading FMCG companies & Industry Potential:**

Some of the well known FMCG companies are Sara Lee, Nestlé, Reckitt Benckiser, Unilever, Procter & Gamble, Coca-Cola, Carlsberg, Kleenex, General Mills, Pepsi, Mars, Coca cola, Nirma, Dabur, Himani etc.

The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 20.1 billion. It has a strong MNC presence and is characterized by a well-established distribution network, intense competition between the organized and unorganized segments and low operational cost. Availability of key raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage.

The FMCG market was set to treble from US\$ 11.6 billion in 2003 to US\$ 33.4 billion in 2015. Penetration level as well as per capita consumption in most product categories like jams, toothpaste, skin care, hair wash etc in India is low indicating the untapped market potential. Burgeoning Indian population, particularly the middle class and the rural segments, presents an opportunity to makers of branded products to convert consumers to branded products.

Growth is also likely to come from consumer 'upgrading' in the matured product categories. With 200 million people expected to shift to processed and packaged food by 2012, India needs around US\$ 28 billion of investment in the food-processing industry.

Automatic investment approval (including foreign technology agreements within specified norms), up to 100 per cent foreign equity or 100 per cent for NRI and Overseas Corporate Bodies (OCBs) investment, is allowed for most of the food processing sector.

That will translate into an annual growth of 10% over a 5-year period. It has been estimated that FMCG sector will rise from around Rs 56,500 crores in 2005 to Rs 96,100 crores in 2011. Hair care, household care, male grooming, female hygiene, and the chocolates and confectionery categories are estimated to be the fastest growing segments, says an HSBC report.

With the presence of 12.2% of the world population in the villages of India, the Indian rural FMCG market is something no one can overlook. Increased focus on farm sector will boost rural incomes, hence providing better growth prospects to the FMCG companies. Better infrastructure facilities will improve their supply chain. FMCG sector is also likely to benefit from growing demand in the market. Because of the low per capita consumption for almost all the products in the country, FMCG companies have immense possibilities for growth. And if the companies are able to change the mindset of the consumers, i.e. if they are able to take the consumers to branded products and offer new generation products, they would be able to generate higher growth in the near future. It is observed that the rural income has grown, boosting purchasing power in the countryside. However, the demand in urban areas would be the key growth driver over the long term.

Also, increase in the urban population, along with increase in income levels and the availability of new categories, would help the urban areas maintain their position in terms of consumption. At present, urban India accounts for 66% of total FMCG consumption, with rural India accounting for the remaining 34%. However, rural India accounts for more than 40% consumption in major FMCG categories such as personal care, fabric care, and hot beverages.

In urban areas, home and personal care category, including skin care, household care and feminine hygiene, will keep growing at relatively attractive rates. Within the

foods segment, it is estimated that processed foods, bakery, and dairy are long-term growth categories in both rural and urban areas.

## 1.2 The FMCG Industry & Trends:

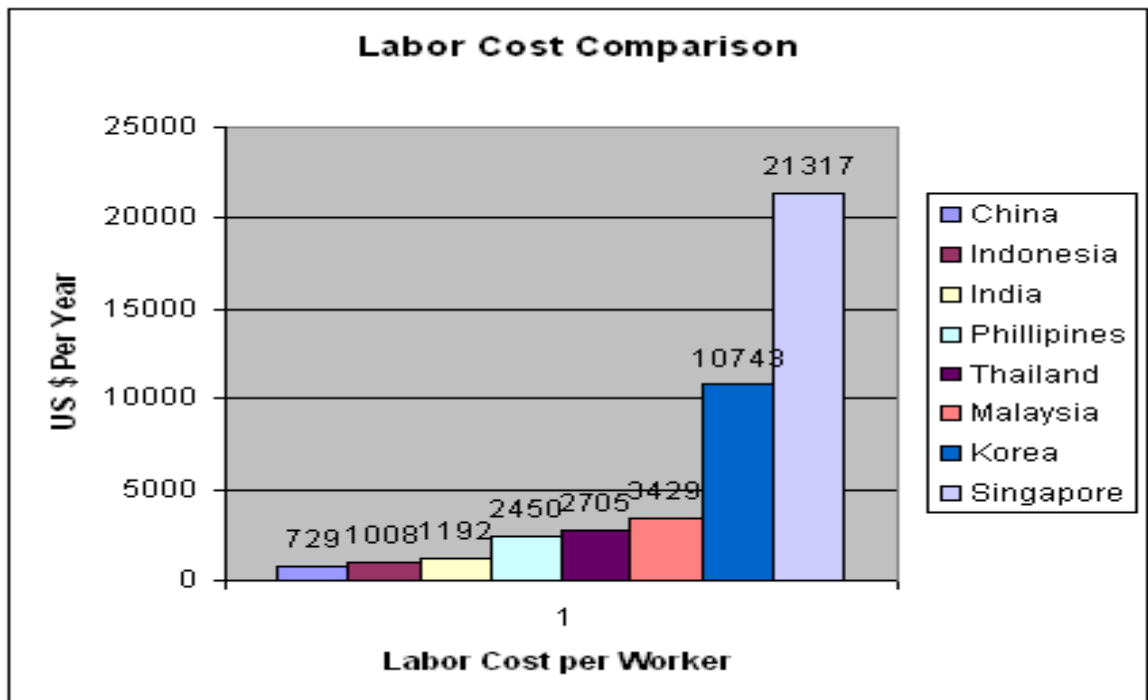
### Indian Competitiveness and Comparison with the World Markets:

The following factors make India a competitive player in FMCG sector:

#### 1. Availability of raw materials:

Because of the diverse agro-climatic conditions in India, there is a large raw material base suitable for food processing industries. India is the largest producer of livestock, milk, sugarcane, coconut, spices and cashew and is the second largest producer of rice, wheat and fruits & vegetables. India also produces caustic soda and soda ash, which are required for the production of soaps and detergents. The availability of these raw materials gives India the location advantage.

#### 2. Labour cost comparison:



Low cost labour gives India a competitive advantage. India's labour cost is amongst the lowest in the world, after China & Indonesia. Low labour costs give the advantage of low cost of production. Many MNC's have established their plants in India to outsource for domestic and export markets.

### **3. Presence across value chain:**

Indian companies have their presence across the value chain of FMCG sector, right from the supply of raw materials to packaged goods in the food-processing sector. This brings India a more cost competitive advantage. For example, Amul supplies milk as well as dairy products like cheese, butter, etc.

### **The future of FMCG:**

Fast moving consumer goods will become Rs 400,000-crore industry by 2020. A Booz & Company study finds out the trends that will shape its future. Considering this, the anti-ageing skincare category grew five times between 2007 and 2008. It's today the fastest-growing segment in the skincare market. Olay, Procter & Gamble's premium anti-ageing skincare brand, captured 20 per cent of the market within a year of its launch in 2007 and today dominates it with 37 per cent share. Who could have thought of ready acceptance for anti-ageing creams and lotions some ten years ago? For that matter, who could have thought Indian consumers would take oral hygiene so seriously? Mouth-rinsing seems to be picking up as a habit — mouthwash penetration is growing at 35 per cent a year. More so, who could have thought rural consumers would fall for shampoos? Rural penetration of shampoos increased to 46 per cent last year.

Consumption patterns have evolved rapidly in the last five to ten years. The consumer is trading up to experience the new or what he hasn't. He's looking for products with better functionality, quality, value, and so on. What he 'needs' is fast getting replaced with what he 'wants'. A new report by Booz & Company for the Confederation of Indian Industry (CII), called FMCG Roadmap to 2020: The Game Changers, spells

out the key growth drivers for the Indian fast moving consumer goods (FMCG) industry in the past ten years and identifies the big trends and factors that will impact its future.

It has been estimated that FMCG sector witnessed robust year-on-year growth of approximately 11 per cent in the last decade, almost tripling in size from Rs 47,000 crore in 2000-01 to Rs 130,000 crore now (it accounts for 2.2 per cent of the country's GDP). Growth was even faster in the past five years — almost 17 per cent annually since 2005. It identifies robust GDP growth, opening up of rural markets, increased income in rural areas, growing urbanization along with evolving consumer lifestyles and buying behaviours as the key drivers of this growth.

It has been estimated that the FMCG industry will grow at least 12 per cent annually to become Rs 400,000 crore in size by 2020. Additionally, if some of the factors play out favourably, say, GDP grows a little faster, the government removes bottlenecks such as the goods and services tax (GST), infrastructure investments pick up, there is more efficient spending on government subsidy and so on, growth can be significantly higher. It could be as high as 17 per cent, leading to an overall industry size of Rs 620,000 crore by 2020.

Abhishek Malhotra (2010) told that the Indian GDP per capita is low but many Indian consumer segments which constitute rather large absolute numbers are either close to or have already reached the tipping point of rapid growth. The sector is poised for rapid growth over the next 10 years, and by 2020, the industry is expected to be larger, more responsible and more tuned to its customers.

Based on research on industry evolutions in other markets and discussions with industry experts and practitioners, Booz & Company has identified some important trends that will change the face of the industry over the next ten years. Some key ones related to evolution of consumer segments are as follows:

#### **1. Accelerating 'premiumisation':**

The rising income of Indian consumers has accelerated the trend towards 'premiumisation' or up-trading. The trend can be observed prominently in the top

two income groups — the rich with annual income exceeding Rs 10 lakhs, and the upper middle class with annual income ranging between Rs 5 lakhs and Rs 10 lakhs. The rich are willing to spend on premium products for their ‘emotional value’ and ‘exclusive feel’, and their behavior is close to consumers in developed economies. They are well-informed about various product options, and want to buy products which suit their style. The upper middle class wants to emulate the rich and up-trade towards higher-priced products which offer greater functional benefits and experience compared to products for mass consumption.

While these two income groups account for only 3 per cent of the population, it is estimated that by 2020 their numbers will double to 7 per cent of the total population. The rich will grow to approximately 30 million in 2020, which is more than the total population of Sweden, Norway and Finland put together. Similarly, the upper middle segment will be a population of about 70 million in 2020, which is more than the population of the UK.

Over the next ten years, these groups will constitute large enough numbers to merit a dedicated strategy by FMCG companies. Abhisek Malhotra (2010) added that they have seen companies focused on selling primarily to the mid segments. Often, there is no clear segmentation being offered. Players would do well to clearly separate their offerings for the upper and mid segments,” and the two should be treated as separate businesses with a dedicated team and strategy for each.

## **2. Evolving categories:**

Categories are evolving at a brisk pace in the market for the middle and lower-income segments. With their rising economic status, these consumers are shifting from need- to want-based products. For instance, consumers have moved from toothpowders to toothpastes and are now also demanding mouthwash within the same category

Also, consumers have started demanding customised products, specifically tailored to their individual tastes and needs. The complexities within the categories are increasing significantly. Earlier a shampoo used to have two variants — normal

and anti-dandruff. Now, you have anti-dandruff shampoos for short hair, oily hair, curly hair, and so on. Every thing is getting customised.

The trend towards mass-customization of products will intensify with FMCG players profiling the buyer by age, region, personal attributes, ethnic background and professional choices. Micro-segmentation will amplify the need for highly customized market research so as to capture the specific needs of the consumer segment targeted, before the actual product design phase gets underway.

The beauty products market will grow by 20 per cent per annum as result of the changing socio-economic status of consumers, especially women. Middle-class women are now more conscious of their appearance and are willing to spend more on enhancing it. Products such as colour cosmetics (growing by 46 per cent) and sun care products (growing at 13 per cent) have latched on to this trend rapidly

### **3. Value at the bottom:**

It has been defined the bottom-of-the-pyramid or BoP consumers as those who earn less than Rs 2 lakhs per annum per household. The group constitutes about 900 to 950 million people. While the middle class segment is largely urban, already well-served and competitive, the BoP markets are largely rural, poorly-served and uncompetitive. A lot of the basic needs of BoP consumers are yet unmet: Financial services, mobile phones & communication, housing, water, electricity and basic healthcare. And so there is untapped opportunity.

Abhisek Malhotra (2010) added that the aspiration was always there, and increasingly money is coming in. The segment is being targeted primarily with lower-priced products, say, Rs 2 Parle-G. But increasingly it will need products that deliver more value — say, Rs 5 product that serves as dinner and also delivers nutrition (vitamins, proteins etc). Companies like PepsiCo and Tata are working on such products.

It is added that the rural BoP population is estimated to be about 78 per cent of the total BoP population. The segment is becoming an important source of



consumption by moving beyond the ‘survival’ mode. As a result of rising incomes, the growth of FMCG market in rural areas at 18 per cent a year has exceeded that of the urban markets at 12 per cent. While the rural market comprises only 34 per cent of the total FMCG market, given the current growth rates, its contribution is expected to increase to 45-50 per cent by 2020. It will require tailored products at highly affordable prices with the potential of large volume supplies.

Products such as fruit juices and sanitary pads which had no demand in the rural markets earlier have suddenly started establishing their presence. While most FMCG players have succeeded in establishing sufficient access to their products in rural areas, the next wave of growth is expected to come from increasing category penetration, development of customized products and up-trading rural consumers towards higher-priced and better products.

#### **4. Increasing Globalisation:**

While many leading MNCs have operated in the country for years given the liberal policy environment, the next 10 years will see increased competition from Tier 2 and 3 global players. In addition, larger Indian companies will continue to seek opportunities internationally and also have an access to more global brands, products and operating practices.

#### **5. Decentralization:**

Despite the complexity of the Indian market (languages, cultures, distances) the market has mainly operated in a homogenous set-up. Increased scale and spending power will result in more fragmented and tailored business models (products, branding, operating structures).

#### **6. Growing Modern Trade:**

Modern trade share will continue to increase and is estimated to account for nearly 30% by year 2020. This channel will complete existing traditional trade (~8 million stores which will continue to grow) and offer both a distribution channel through its cash & carry model as well as more avenues to interact with the consumer.

## **7. Focus on Sustainability:**

Global climatic changes, increasing scarcity of many natural resources (e.g. water, oil) and consumer awareness (e.g. waste) are leading to increased concerns for the environment. The pressure on companies to be environmentally responsible is gradually increasing due to involvement of various stakeholders – from government (through policy) to consumers (through brand choice) and NGOs (through awareness).

## **8. Technology as a Game Changer:**

Increased and relevant functionality coupled with lower costs will enable technology deployment to drive significant benefits and allow companies to address the complex business environment. This will be seen both in terms of efficiencies in the back-end processes (e.g. supply chain, sales) as well as the front-end (e.g. consumer marketing).

## **9. Favourable Government Policy:**

Many government actions – in discussions as well as planned – will help in creating a more suitable operating environment. This will be done both on the demand side by increased income and education as well as on the supply side by removing bottlenecks and encouraging investments in infrastructure.

The confluence of many of these change drivers – consumers, technology, government policy, and channel partners – will have a multiplication impact and magnify both the amount as well as the pace of change. Winning in this new world will require enhancing current capabilities and building new ones to bridge gaps. In this new world FMCG companies will have 6 imperatives from a business strategy perspective:

1. Disaggregating the operating model
2. Winning the talent wars
3. Bringing sustainability into the strategic agenda
4. Re-inventing marketing for ‘i-consumers’

5.

## Re-engineering supply chains

### 6. Partnering with modern trade

Another big trend that has been is the emerging idea of many Indians. It is added that despite the complexities of language, culture and distances, the Indian market has largely been seen as a homogenous market. There's one product for the entire country — the same Maggi noodles for Karnataka and West Bengal, or the same Diet Coke for Punjab and Assam. Besides, these products have the same advertisements that run across the country.

Increasingly, FMCG players are realizing that India is not a homogenous market and consumer preferences vary significantly. By 2020, Maharashtra's GDP will exceed that of Greece, Belgium, and Switzerland, and Uttar Pradesh's economic size will exceed that of Singapore and Denmark. So, having a dedicated firm for Maharashtra or Gujarat can prove to be a realistic and profitable proposition. We will see companies coming up with regional products. Hindustan Unilever has teas which are very different in one state versus the other. Pepsi has a different product in Andhra Pradesh which is not sold anywhere else. Differentiation used to happen at the country level; now you will see at the state level.

FMCG players need to grow 'regional' in their thinking and move towards an increasingly decentralized operating model in India. As consumer preferences differ across regions and states, companies may follow a regional strategy in terms of product ingredients, positioning, marketing campaign, and channels. Overall, decentralization or regionalization will become an increasingly important theme for FMCG players.

FMCG in India has a strong and competitive MNC presence across the entire value chain. It has been predicted that the FMCG market will reach to US\$ 33.4 billion in 2015 from US \$ billion 11.6 in 2003. The middle class and the rural segments of the Indian population are the most promising market for FMCG, and give brand makers the opportunity to convert them to branded products. Most of the product categories like jams, toothpaste, skin care, shampoos, etc, in India, have low per capita consumption as well as low penetration level, but the potential for growth is huge

The big firms are growing bigger and small-time companies are catching up as well. According to the study conducted by AC Nielsen, 62 of the top 100 brands are owned by MNCs, and the balance by Indian companies. Fifteen companies own these 62 brands, and 27 of these are owned by Hindustan Lever. Pepsi is at number three followed by Thums Up. Britannia takes the fifth place, followed by Colgate (6), Nirma (7), Coca-Cola (8) and Parle (9). These are figures the soft drink and cigarette companies have always shied away from revealing. Personal care, cigarettes, and soft drinks are the three biggest categories in FMCG. Between them, they account for 35 of the top 100 brands.

**Table: 1.1 The Top 10 companies in FMCG sector**

SR.NO.	Companies
1.	Hindustan Unilever Ltd.
2.	ITC (Indian Tobacco Company)
3.	Nestlé India
4.	GCMMF (AMUL)
5.	Dabur India
6.	Asian Paints (India)
7.	Cadbury India
8.	Britannia Industries
9.	Procter & Gamble Hygiene and Health Care
10.	Marico Industries

Source: Naukrihub.com

The companies mentioned in Exhibit I, are the leaders in their respective sectors. The personal care category has the largest number of brands, i.e., 21, inclusive of Lux, Lifebuoy, Fair and Lovely, Vicks, and Ponds. There are 11 HUL brands in the 21, aggregating Rs. 3,799 crore or 54% of the personal care category. Cigarettes account for 17% of the top 100 FMCG sales, and just below the personal care category. ITC alone accounts for 60% volume market share and 70% by value of all filter cigarettes in India.

The foods category in FMCG is gaining popularity with a swing of launches by HUL, ITC, Godrej, and others. This category has 18 major brands, aggregating Rs. 4,637 crore. Nestle and Amul slug it out in the powders segment. The food category has also seen innovations like softies in ice creams, chapattis by HUL, ready to eat rice by HUL and pizzas by both GCMMF and Godrej Pillsbury. This category seems to have faster development than the stagnating personal care category. Amul, India's largest foods company has a good presence in the food category with its ice-creams, curd, milk, butter, cheese, and so on. Britannia also ranks in the top 100 FMCG brands, dominates the biscuits category and has launched a series of products at various prices.

In the household care category (like mosquito repellents), Godrej and Reckitt are two players. Goodknight from Godrej, is worth above Rs 217 crore, followed by Reckitt's Mortein at Rs 149 crore. In the shampoo category, HUL's Clinic and Sunsilk make it to the top 100, although P&G's Head and Shoulders and Pantene are also trying hard to be positioned on top. Clinic is nearly double the size of Sunsilk

Dabur is among the top five FMCG companies in India and is the herbal specialist. With a turnover of Rs. 19 billion (approx. US\$ 420 million) in 2005-2006, Dabur has brands like Dabur Amla, Dabur Chyawanprash, Vatika, Hajmola and Real. Asian Paints is enjoying a formidable presence in the Indian sub-continent, Southeast Asia, Far East, Middle East, South Pacific, Caribbean, Africa and Europe. Asian Paints is India's largest paint company, with a turnover of Rs.22.6 billion (around USD 513 million). Forbes Global magazine, USA, ranked Asian Paints among the 200 Best Small Companies in the World

Cadbury India is the market leader in the chocolate confectionery market with a 70% market share and is ranked number two in the total food drinks market. Its popular brands include Cadbury's Dairy Milk, 5 Star, Eclairs, and Gems. The Rs.15.6 billion (USD 380 Million) Marico is a leading Indian group in consumer products and services in the Global Beauty and Wellness space.

The Rs.85, 000 crore FMCG market in India is growing at a fast pace despite of the economic downtrend. The increasing disposable income and improved standard of

living in most tier II and tier III cities are spearheading the FMCG growth across the nation. The changing profile and mind set of the consumers has shifted the thought to “Value for Money” from “Money for Value.

Over the years companies like HUL, ITC and Dabur have improved performance with innovation and strong distribution channels. Their key categories have strengthened their presence and outperformed peers in the FMCG sector. On the contrary, Colgate Palmolive and Britannia Industries are strong in single product category i.e. tooth - Pastes and Biscuits. In addition companies have been successful in reviving their presence in the semi-urban and rural market.

In 1991, India has opened country to foreign brands. As per this liberalization policy many a foreign players ventured into our country finding it a lucrative large mass market. This research paper is a theoretical paper studying the coping strategies of Indian players in competition to the MNC companies. It studies those Indian players who have stood out in this competition and have been successful in doing so.

### **1.3 Investing in India:**

India's market potential lures foreign companies. But local consumers and rivals have tripped many up. For foreign companies, doing business in India can be gutting wrenching. Its demanding consumers can be difficult to read, and local rivals can be surprisingly tough. For most of its postcolonial life, India has shut out the world, adhering to a socialist ideal of self-reliance. Policymakers have been struggling for the past 16 years to attract capital and ignite growth. In 1991, the government dramatically rejected its socialist past and admitted foreign investors. The idea was to enlist foreign companies' aid to turn India into another Asian Tiger, where cheap labour, an English-speaking workforce, a vast new middle class, and a democratic government would create a wave of prosperity.

Now, the international companies that ventured in after 1991 are tallying their profits and losses and wondering what the future holds for this market of 950 million people. A primary lesson, especially for consumer-goods companies, is not to be dazzled by

India's size. Many investors accepted government estimates that India's middle class numbered 250 million. But according to a recent survey of consumer patterns conducted by the National Council on Applied Economic Research in Delhi, India's consumer class probably totals 100 million at best-- and there's much stratification among them. People in Madras, for example, have tastes vastly different from people in Punjab. 'Different states have different consumption patterns and customs.'

#### 1.4 Following is the table summarizes pre and post liberalization scenario

FMCG Sector	Major Brands 1970s & 80s	New Brands- 1990s onwards	
		Indian Brands	Global brands
Soaps	Lifebuoy, Cinthol, Liril, Lux, Pears, Rexona, Mysore Sandal, Neem, Margo	Nirma Beauty soap	Palmolive, Dettol, Dove
Creams & Lotions	Fair & Lovely, Pond's, Johnson & Johnson	Dabur, Himalaya	Oriflame, Avon, Biotique, Amway, Garnier
Detergents	Surf, Nirma, Wheel	Fena, Lakhani	Ariel, Tide, Henkel
Processed foods	Maggie, Kissan, Parle, Britannia	MTR, Aashirwaad, Haldiram, Bikaner	Heinz, Pillsbury
Beverages	Nescafe, Red Label, Campa, Thumsup	Haldiram, Tata Tea, Bisleri, Tajmahal	Pepsi, Coke, Sprite, 7 up
Cigarettes	Wills, India Kings, Panama		Menthol

Reference: Jaspreet Bhasin Chandok and Mr. Hari Sundar G, Strategies for Survival of Indian FMCGs, Conference on Global Competition & Competitiveness of Indian Corporate p. 607 -613



### 1.5 FMCG Category and products:

Category :	Products:
<b>Household Care:</b>	Fabric wash (laundry soaps and synthetic detergents); household cleaners (dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellents, metal polish and furniture polish).
<b>Food and Beverages:</b>	Health beverages; soft drinks; staples/cereals; bakery products (biscuits, bread, cakes); snack food; chocolates; ice cream; tea; coffee; soft drinks; processed fruits, vegetables; dairy products; bottled water; branded flour; branded Rice; branded sugar; juices etc.
<b>Personal Care:</b>	Oral care, hair care, skin care, personal wash (soaps); cosmetics and toiletries; deodorants; Perfumes; feminine hygiene; paper products.

### 1.6 Sales Promotion Introductory Ideas:

#### Sales promotion:

A typical sales promotion budget covers almost 70% of the total consumer sales promotional budget. It is also considered as a brand differentiator by many big players like Coca-Cola, Pepsi, Heinz and many more. For many business experts and academics, sales promotion is regarded as typical marketing techniques that add value to a product in order to achieve specific marketing goals. The primary purpose of

sales promotion is to induce the consumers to make a quick buying-decision in order to create increases sales. Typical example of sales promotion is to offer customers to take chance of winning a prize or offering some extra products with the same price. Sales promotion and marketing are inter-related but not have the similar purpose. It is advertising which makes a platform for sales promotion where customers can see the direct added value of buying your product. On the other hand, advertising is an intangible promotion of your products to send the marketing message to the customer-base.

### **Sales Promotion: Advantages & Disadvantages:**

The main advantages associated with promotional sales are-an easy way to learn customer response and it work fast. It is also an inexpensive marketing technique. Sales promotion does not always bring positive impact to business, sometime this type of promotion cause negative brand impact to customers mind in the long-term. So, a promotional campaign needs to be designed taking into account the consequences of losing brand value. A PIMS study of 1991 suggests that overuse of sales promotion brings low ROI, almost 15% less, in comparison to balanced and calculated promotional offers. It is advisable not to use sales promotion as a tool of brand imaging; advertising is always the best way as far as branding is concerned. So, marketers need to be careful and must understand the difference between the sales promotion and advertising

### **1.7 Objective of sales promotion:**

Before designing a promotional campaign, you must identify the target groups. This is done by breaking up of your product markets and identification of small groups of consumers whose wants and needs are not the same as the mass market as a whole- this is one of the key to success in sales promotion. For finding the target group you need to take a qualitative research on the market to determine your groups of customers, if the target group exists then find out their needs & wants, and what drives them to buy your product. After learning about the target groups, you must set the objectives of sales promotion which is all about why you want to achieve in sales

promotion campaign and how your customers will be benefited. Other aspects of sales objectives are: budget of the promotion and duration of the promotional offer.

### **Examples of Sales objectives**

1. Many marketers use the promotional sales as a tool to learn the response of the first time users, by offering reduced price, sales coupons, or money-back guarantees.
2. To increase the repeat purchase from the existing users.
3. It can work as an introductory platform for a new product. But a hosting plan and get a domain name free.
4. Sales promotion is a vehicle to defend your business against your competitors. By giving your users free coupons upon buying every products so as they can get considerable discount on the next purchase with a specified time will certainly bind your customers with your products and it will unlikely that they will switch on a new brand, even if it being highly competitive.
5. Try to target and find a new segment in the market by focusing geographic and psychology of users such as users with high and low purchasing needs. Normally, arranging a competition or contents are very helpful for targeting a specific interest group.

### **Types of Sales Promotion**

Basically there are three main categories of sales promotion targeted at different elements of markets such as consumers, traders, industries.

1. **Consumer sales promotions**
2. **Trade sales promotion**
3. **B2B and industrial sales promotion**

#### **1. Consumer Sales Promotion:**

##### **Sampling**

If your objective is to trial the product then sampling is an effective sales promotion method. Usually sampling is involved with low value products and products having

highly visible features of benefits. For delivery sample products marketers use either door-to-door or mailing approach

### **Coupons**

It is one of the oldest sales promotion strategies and sometimes couponing makes the product problematic by cheapening your brand name. Coupon is mainly used for attracting new customers as well as to increase instant sales with price reduction of a product.

### **Contests and Sweepstakes**

These are very popular low-cost methods of sales promotion used and viable in almost any demographic location on earth. These techniques help people to learn your product more and help them pay more attention to your product. For instance if you arrange a competition about providing the accurate information of your product, then certainly interested customers will learn about your product and this is why it is an effective way of educating customers.

### **Money refunds**

Instant cash-back, refunds and rebates are very attractive ways to promote sales in cell phone service providers and web-hosting companies. For any product sales promotion, money back offers give a sense of security to all customers.

### **Premiums and bonus packs**

A premium offer means an extra item at a low price or totally. Premiums are one of the effective sales promotions in targeting the brand switching users and also to increase sales rate among the existing users.

### **Loyalty schemes**

This is a great way to hold the loyalty of customers. It is basically a point based system, where each customer gets some points on each purchase and later he can use these points on buying the same products or other products at a reduced price. To many marketers, loyalty schemes are also known as frequent purchasing scheme.

## **Exhibitions**

This is not like trade show. The purpose of an exhibition is to interact with the customers, answer their queries and not to merchandise any products. Generally exhibitions are held to develop consumer interests on products. It is a very powerful and efficient vehicle to reach the customers and to educate them about your products. Example of exhibition is -Motor Show.

## **Packaging**

Many marketers do not pay much attention to the quality of packaging, because they simply do not understand the psychological and brand image aspects of packaging. An attractive and innovative packaging can work like a salient sales man-packaging does the hooking function to buyers. A well-packaged product carries not only the brand values but also create an emotional link to your prospects. Not that it is only important for packaging to be eye-catching, aesthetic, but it needs to protect the product inside with proper manner.

## **2. Trade Sales Promotions:**

Improve the distribution line is the key purpose of trade sales, by organizing trade shows. Some effective techniques used in a trade promotion are: discounts, point-of-sales materials, shelf facings, and displays.

### **Incentives**

This is a popular trade promotion idea with the manufacturers, retailers normally does not use this technique to boost their sales. Incentives are given as a form of cash bonus or prizes per sale.

### **Buying allowances**

It's a kind of price reduction for your product for a specific period of time.

### **Trade shows**

It is a way of getting to learn new customers, introduce those new products, getting customer reactions. But unlike exhibitions, trade show involves in selling products. A

successful trade show can be measured by keeping records of the number of visitors, useful leads and identifying the products with most interests to customers.

### **Advertising allowances promotion**

This is very common practice among manufacturers where a certain amount of money is given to the retailers by the manufacturing company. This allowance is based on the number of products and orders retailers can bring to the manufacturers.

### **Free training**

It is a well-unformatted sales man work like an ambassador for your brand. Customers need proper information from a proper channelled-no one than sales man does this job better. As a part of the promotional offer and relationship building, manufacturers offer training to the retail staff so as they become more effective and skilled while dealing with customers. This free training is very important promotion factor you market any complicated and expensive products. Along with it each training manufacture needs to provide well-documented brochures and technical manuals to the retailers.

### **3. Sales Promotions: B2B & Industrial:**

This is the last but not certainly the least important portion of the sales promotion plan. Industrial sales promotion is all about applying the trade & consumer promotional ideas into industrial marketing environment. Depending on the situation, you need to decide on which consumer and trade promotion ideas is best suited in B2B environment. For example, consumer promotional offer like “buy one get one free” can be offer in B2B environment as “buy one and get one-year service free”.

Depending of the type of products you choose to promote decides which promotional ideas will bring you the best ROI. While devising a promotional plan, keep in mind that sales promotion has disadvantages too. So, make sure sales promotion campaign does not harm your brand image at any cost. And finally, always try to avoid price competition wars as much as possible, rather put you all the attention in improving the quality of products by adding more values to it.

Sales promotion consists of all promotional activities other than advertising, personal selling and publicity that help to increase sales through non repetitive and one time communication. In other words, it includes marketing activities other than personal selling, advertising, and publicity that stimulate consumer purchasing and dealer effectiveness, such as point of purchase displays, shows and exhibitions, demonstrations and various non-recurring selling efforts not in the ordinary routine.

**Purpose:**

The ultimate aim or purpose of sales promotion is that of increasing the volume of sales and profits but it differs from advertising and personal selling both in approach and techniques. Personal selling involves face to face contact with specific individuals, while advertising is directed at a large number of potential customers. Sales promotion serves as a link between two by focusing selling efforts on selected small groups of people. Sales promotion usually involves non-recurring and non-routine methods, in contrast with the routine and recurring nature of advertising and personal selling. Under advertising, the media is not owned and controlled by the advertiser except in direct mail advertisements. But sales promotion methods are controlled by the advertiser. Sales promotion covers various stimulants directed to the consumers and dealers that is why it is of two types-consumers sales promotion and dealers' sales promotion. The former stimulates consumer's buying at the point of sale, and latter improves dealer's effectiveness at the retail outlets.

**How Sales Promotion Objectives are set:**

Sales promotion has dual objective: (A) Basic objectives and (B) Other objectives.

**(A) Basic objectives of sales promotion are:**

- (i) Increasing the buying response of ultimate consumers.
- (ii) Increasing the selling efforts and intensity by dealers as well as by sales personnel.

(iii) Supplementing and co-coordinating the efforts of advertising and personal selling

**(B) The other objectives are:**

- (i) Calling attention to new products and product improvements.
- (ii) Informing buyers of new brand and new packaging.
- (iii) Improving market share.
- (iv) Obtaining dealer outlets.
- (v) Meeting competition.

These objectives are set on the basis of following criteria.

- (i) Cost of reaching an audience member.
- (ii) Acceptability of the tools to be used.

These criteria are developed taking into consideration the following variables/factors:

**(i) Kinds of product:**

The product is one of the factors determining the form of promotion. Toys, toilet soaps and cosmetics are effectively shown on television. Mass selling consumer goods can be easily promoted through radio and television. Industrial and specialty goods should be promoted through technical journals and through sales engineers.

**(ii) The buyer:**

If the marketers are to provide realistic solutions to the problem of buyers, they must know their customers, their needs and desires, their attitude, values, aspirations and expectations. Hence marketers must have up-to-date information about customer demand and customer behaviour. If the buyers are educated then demonstrations or instructions can be used as sales promotion technique. Similarly, contests and quizzes can be used if buyers are of young age and educated.



**(iii) Nature and size of market:**

The number, geographical location and purchasing power of potential customers exercise a significant impact on the sales promotion. Sampling, coupon, money refund orders, premium offer, price-off and trading stamps etc., are suitable for sales promotion in local markets. On the other hand, fairs, exhibitions and fashion shows are more appropriate for sales promotion on the national level particularly for garments, books and electronic items.

**(iv) Stages in product life cycle:**

This is an important managerial tool in sales promotion. A product life cycle consists of four stages. (a) Introduction of the product require lot of energy to create awareness, acceptance and demand for the product. Introducing a new product for most companies is a costly and difficult exercise that is why they mostly depend on middlemen, (b) Growth. It includes a fast growth both in sales volume and profit. (c) Maturity (Saturation). This stage is longer. But the speed in achieving sales volume reduces during this stage. Profit also starts declining much faster than the sales. (d) Declining. This is the last stage in product life cycle. After a period of stability, the buyers loose interest on the product, and sales start falling more quickly. At this stage either high cost sales promotion technique may be used or existing product may be improved.

**(v) Management policy:**

In the management policy, first of all, sales promotion objectives are set, then communication tools required to achieve these objectives are designed, and the third step is to determine the cost required to execute promotional activities and programmes. In short sales promotion expenditure is directly related to the objectives to be achieved.

**(iv) Budget allocation available:**

The decision on how much to spend on promotion is externally difficult on account of multitude of promotion tools, on the one hand, and varieties of products and markets on the other. For example, the greater the geographical dispersion of a target market, the greater the communication expenditure required. Similarly, if an offering is in its early life cycle, there is a greater need of expenditure. But promotion budget should always justify the tasks to be undertaken. A basic principle would be the cost and returns of sales promotion tools to be adopted.

Hindustan Lever has its well drawn up sales promotion budget. If any business house does not have its promotion budget fixed, then promotion programmes will have to be designed to support the marketing plan.

**(v) Government regulations:**

Government has passed various laws and made rules to protect the consumer interest, such as the prevention of Food Adulteration Act, the Drugs and Magic Remedies (Objectionable Advertisements) Act, and Drugs and Cosmetics Act etc. Sales promotion policy must take into consideration the government regulations relating to the particular product, e.g. the commodity rates must be specified on the package and in case of medicines drug contents and date of manufacturing, date of expire, and price must be specified.

**1.8 Sales Promotion Effectiveness:**

Are monetary savings the only explanation for consumer response to a sales promotion? There are monetary and non-monetary promotions provide consumers with different levels of three hedonic benefits (opportunities for value-expression, entertainment, and exploration), and three utilitarian benefits (savings, higher product quality, and improved shopping convenience) explained by Pierre Chandon, Brian Wansink et al (2000). They have also described that for high-equity brands, monetary promotions are more effective for utilitarian products than for hedonic products.

Marketers and academics often view the reliance on sales promotions, especially monetary promotions, as a sub-optimal consequence of price competition caused by myopic management (Buzzell, Quelch and Salmon 1990). These critics argue that, in the short-run, the proliferation of monetary promotions erodes their capacity to “rent” market share, which explains why so many are unprofitable (Abraham and Lodish 1990; Kahn and McAlister 1997). In the long run, it is feared that sales promotions increase price sensitivity and destroy brand equity—both with retailers and consumers (Mela, Gupta, and Lehman 1997). As a result, many industry experts are calling for more effective and cost-efficient promotions that rely less on price (Promotion Marketing Association of America 1994), and some go so far as to recommend eliminating most promotions by switching to an everyday-low-price policy (Kahn and McAlister 1997; Lal and Rao 1997).

Adopting consumer perspective the value that sales promotions have for brands is related to the value, or benefits, that sales promotions have for consumers. So, it leads to the fundamental question of why consumers respond to sales promotions. Most econometric or game-theoretic studies assume that monetary savings are the only benefit that sales promotions have for the consumer. If this is true, an everyday-low-price may indeed represent an efficient solution for providing consumers with these savings while minimizing search costs for the consumer and logistical costs for the firm.

On the other hand, if, sales promotions provide consumers with an array of hedonic and utilitarian benefits beyond monetary savings, everyday low prices cannot fully replace sales promotions without the risk of alienating consumers who value the non-monetary benefits of sales promotions. The existence of multiple consumer benefits may also help understand some puzzling consumer responses to sales promotions which cannot be fully explained by the search for savings (e.g., Dhar and Hoch 1996; Hoch, Drèze and Purk 1994; Inman, McAlister, and Hoyer 1990; Schindler 1992; Soman 1998).

Beyond its intended contribution to the general debate on the value of sales promotions or on the antecedents of consumer response to them, studying the consumer benefits of sales promotions as practical implications for improving their effectiveness. It is obvious because monetary and non-monetary sales promotions offer different benefits, they should be more effective for different types of products.

### **Consumers Response to Sales Promotions:**

Behavioral research on sales promotions has tended to focus on the demographics of deal-prone consumers (Bawa and Shoemaker 1987; Blattberg et al. 1978; Narasimhan 1984) and on the identification of personal traits such as “coupon proneness,” “value-consciousness,” or “market mavenism” (Feick and Price 1987; Lichtenstein, Netemeyer, and Burton 1990 and 1995; Mittal 1994). These studies offer a coherent portrait of the demographic and psychographic characteristics of deal prone consumers (for a review, see Blattberg and Neslin 1990, pp. 65-82). However, because of their focus on individual variables, these studies do not examine the nature, and the number, of the specific consumer benefits of sales promotions.

As a result, most analytical and econometric models of sales promotions simply assume that monetary savings are the only benefit motivating consumers to respond to sales promotions (Blattberg and Neslin 1993). Yet, some robust empirical results suggest that monetary savings cannot fully explain why and how consumers respond to sales promotions. For instance, why do consumers respond more to on-shelf coupon than to a similarly advertised temporary price reduction offering the same monetary incentive (Dhar and Hoch 1996; Schindler 1992)? Why do consumers respond to insignificant price reductions (Hoch, Drèze, and Purk 1994; Inman, McAlister, and Hoyer 1990), and why do consumers switch brands because of a coupon or a rebate, but then do not redeem it (Bawa and Shoemaker 1989; Dhar and Hoch 1996; Soman 1998)?

To account for these, there are advanced explanations related to achievement motives (Darke and Freedman 1995), self-perception (Schindler 1992), and fairness perception (Thaler 1985) or to price and quality inferences in low-involvement processing (Inman, McAlister and Hoyer 1990; Raghurir 1998; Raghurir and Corfman 1999). However, the extent of support for some of these explanations is limited. For instance, the achievement and self-perception arguments are contradicted by the finding that “lucky” bargains are enjoyed as much as those acquired skilfully (Darke and Freedman 1995), and that some consumers may feel embarrassed to buy a promoted brand (Simonson, Carmon, and O’Curry 1994). The fact that consumers enjoy paying prices that are lower than the reference price, and which are therefore not fair to the seller, indicates that fairness perceptions cannot alone explain the puzzles mentioned earlier. Many studies examine only the consequences of these non-monetary benefits without directly measuring them.

The contributions of the personality studies, the parsimony of the economic perspective, and the existing work on the non-monetary benefits of sales promotions have greatly contributed to our understanding of consumer response to sales promotion. An integrated study of the consumer benefits of sales promotions, however, would help reconcile the fragmented nature, as well as the empirical and conceptual limitations, of these seemingly disparate studies.

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## **Chapter 2**

### **Conceptual Framework of Sales Promotion Schemes, Consumer preference & Brand Equity perception:**

2.1 Sales Promotion in India

2.2 FMCG Sector in India

2.3 FMCG products Categories and Sales Promotion Schemes

2.3.1 Identification of Attributes and Attributes Levels

2.4 Brand Definition

2.5 Branding Evolution

2.6 Brand Equity and Perception

2.7 Aakar's Brand Equity Framework

2.8 References

## Chapter 2

### 2.1 Sales Promotions in India:

The FMCG sector which had kept the highest advertisement expenses as the proportion of sales, has kept the ad expenses almost proportionate to growth in net sales. The elasticity of advertisement of the sector stood at 0.80 per cent to their net sales during the analyzed period. Income and expenditure statement of the major companies in the segment analyzed for the FMCG companies, which used to be fervent advertisers in the past, have marginally hiked their ad budget in 2008-09 in comparison with 2007-08.

According to the analysis of FMCG sector, Hindustan Unilever Limited increased its advertising costs in 2008-09 by 48 per cent to 2,130.92 crore which was at 440.22 crore in 2007-08. Another FMCG major, ITC Limited, spent nearly 33 per cent more in 2008-09 than the previous year, as the company earned 8.37 per cent growth in net sales during the same period whereas Britannia which spent about 17.47 per cent more on advertisements in 2008-09 as compared to the previous year recorded a growth of 20.44 per cent in the same period.

Dabur spent nearly 14.85 per cent more on advertisements in 2008-09 as against the corresponding period of previous year while the company's net sales increased by 15 per cent in 2008-09. Marico Limited which cut its advertising expenses in 2008-09 by 6.05 per cent saw a growth rate of 22.52 per cent in the net sales figure in 2008-09 as compared to 2007-08.

## 2.2 Fast Moving Consumer Goods (FMCG) Sector of India:

Companies	Parameters	2008-2009 (value in Crore)	2007-2008 (value in Crore)	% Change	Δ Elasticity
Britannia	Advertising and Sales Promotions	211.18	179.78	17.47	1.17
	Net Sales	3,112.21	2,584.10	20.44	1.17
Marico Ltd.	Advertising and Sales Promotions	169.56	180.47	-6.05	- 3.73
	Net Sales	1,917.17	1,564.74	22.52	
ITC	Advertising and Sales Promotions	502.30	377.54	33.05	0 0.25
	Net Sales	23,143.53	21,355.94	8.37	
Dabur	Advertising and Sales Promotions	284.93	248.10	14.85	1.01
	Net Sales	2,396.16	2,083.40	15.01	
HUL	Advertising and Sales Promotions	2,130.92	1,440.22	47.96	0.98
	Net Sales	21,649.51	14,715.10	47.12	

The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 13.1 billion. It has a strong MNC presence and is characterized by a well established distribution network, intense competition between the organized and unorganized segments and low operational cost. Availability of key raw materials, cheaper labor costs and presence across the entire value chain gives India a competitive advantage.

The FMCG market is set to treble from US\$ 11.6 billion in 2003 to US\$ 33.4 billion in 2015. Penetration level as well as per capita consumption in most product categories like jams, toothpaste, skin care, hair wash etc in India is low indicating the untapped market potential. Burgeoning Indian population, particularly the middle class and the rural segments, presents an opportunity to makers of branded products to convert consumers to branded products. Growth is also likely to come from consumer 'upgrading' in the matured product categories. With 200 million people expected to shift to processed and packaged food by 2010, India needs around US\$ 28 billion of investment in the food-processing industry.

### **India - A large consumer goods spender**

An average Indian spends around 40 per cent of his income on grocery and 8 per cent on personal care products. The large share of fast moving consumer goods (FMCG) in total individual spending along with the large population base is another factor that makes India one of the largest FMCG markets.

Even on an international scale, total consumer expenditure on food in India at US\$ 120 billion is amongst the largest in the emerging markets, next only to China.

## 2.3 FMCG Categories of products and Sales Promotion Schemes:

### 2.3.1 Product Category: Detergent Cake

As on 31 -03 - 2010

Brand	Type	Weight (gms)	Price ( Rs)	Scheme
Nirma	White detergent cake	250	5	~
	Blue detergent cake	190	6	~
	Super	250	9	~
Surf excel	Detergent cake	75	8	Rs 1 off
	Detergent cake	4*192	90	Rs 10 off
	Detergent cake	120	13	~
	Combi pack	200	24	~
Wheel	Active	6*190	31	~
	Green	182	5	20 % free
Tide	Detergent cake	250	17	~
Rin	Detergent cake	100	6	Rs. 1 off
	Advance	5*200	58	Rs. 10 off
Hipolin	Shakti	6*180	34	~

### 2.3.2 Product Category: Cooking Oil

As on 31 -03 - 2010

Brand	Types	Weight	Price (Rs)	Scheme
Rani	Groundnut Oil	15kg.	1185	~
		15lt.	1095	~
		5lt.	380	~
	Cotton seed Oil	15kg.	760	~
		15lt.	680	~
		5lt.	250	~
Gulab	Groundnut Oil	15 kg.	1190	~
		15lt.	1100	~
		5lt.	380	~
	Cotton seed Oil	15kg.	760	~
Rajmoti	Groundnut Oil	15kg.	1180	~
		15lt.	1070	~
	Cotton seed Oil	15kg.	720	~
Tirupati	Cotton seed Oil	15kg.	790	~
		5lt.	250	~
	corn oil	15lt.	770	~
Ekka	Groundnut Oil	15lt.	1150	~
		5lt.	350	~
	Cotton seed Oil	15lt.	750	~
		5lt.	240	~
Fortune	Sunflower Oil	15lt. Tin	890	~
		15lt.can	900	~
		5lt.	320	~
	Soyabean Oil	15lt.tin	830	~
		5lt.	310	~
	Mustard Oil	5lt.	350	~
Nutrela	Sunflower Oil	15lt.tin	840	~
		15lt.can	850	~
		15kg.tin	910	~
	Soyabean Oil	5lt.	290	~
Corn Drop	Corn Oil	15lt.tin	860	~
		15lt.can	860	~
		5lt.	320	~



### 2.3.3 Product Category: Energy Drink

As on 31 -03 – 2010

Brand	Types/ Flavor	Weight (gram)	Price (Rs)	Scheme
Complan	Kesar Badam	175	97	~
Complan	Kesar Badam	400	190	~
Complan	Chocolate	200	94	~
Complan	Chocolate	500	185	~
Complan (bottle)	Chocolate	500	195	~
Horlicks b	Chocolate	500	145	~
Horlicks	Chocolate	500	138	~
Horlicks	Chocolate	200	70	~
Horlicks	Junior Horlicks	500	160	~
Horlicks	Junior Horlicks	200	75	~
Horlicks	Chocolate tin	1000	250	free tin
Boost b	Chocoblast	500	142	skipping rope free
Boost	Chocoblast	500	135	skipping rope free
Dabur	Chyawan junior	500	131	~
Dabur	Chyawan junior B	500	138	~
Bornvita ++ B		500	138	~
Bornvita ++		500	131	~
Bornvita ++		350	99	~
Bornvita	Little champs	200	90	~
Bornvita	Little champs	500	175	~
Bornvita ++		1000		Free box & Save Rs 21

**2. 3. 4 Product Category: Deodorant****As on 31 -03 – 2010**

<b>Brand</b>	<b>Types/ Flavor</b>	<b>Weight</b>	<b>Price (Rs)</b>	<b>Scheme</b>
Spinz	Samba	150ml	135	~
Spinz	Tango	150ml	135	~
Spinz	Black Magic	150ml	135	~
Spinz	Rock N Roll	150ml	135	~
Nivia	Dry Comfort	150ml	145	~
Nivia	For Man	150ml	169	Free Pepsi my can 250ml
Dove		167ml	160	Shop free 75gm Rs. 33
Spinz	Race	150ml	145	~
Spinz	sports	150ml	145	~
Spinz	club	150ml	145	~
Reebok	Reegame	150	165	5.1fl.oz
Reebok	Reenergy	150	166	5.1fl.oz
Reebok	Recharge	150	167	5.1fl.oz
Z		200	145	50ml free

### 2. 3. 5 Product Category: Hair Oil

As on 31 -03 – 2010

Brand	Types/ Flavor	Weight	Price (Rs)	Scheme
Parachute	Coconut Oil	912 gms	185	~
Parachute	Coconut Oil	600ml	92	100 ml extra
Parachute	Coconut Oil	500ml	90	~
Parachute	Coconut Oil	200ml	40	~
Parachute	Coconut Oil	100ml	18	~
Parachute	Coconut Oil	50ml	12	~
Parachute	Coconut Oil	300ml	80	~
Parachute	Advanced Ayurvedic	100ml	99	~
Parachute	jasmine	300ml	72	Free jasmine soap Rs.15 90g
Parachute	jasmine	200ml	49	~
Parachute	jasmine	100ml	27	~
Hair & Care		50ml	20	~
Hair & Care		100+20 ml	35	20ml extra
Hair & Care		200	60	
Clinic All Clear	Anti dandruff	50ml	60	Clinic All clear 40ml shampoo
Clinic All Clear	Anti dandruff	754ml	35	~
Dabur	Anmol	100ml	21	~
Dabur	Anmol	200ml	38	~
Dabur	Anmol	500ml	86	~
Dabur	Amla	500ml	130	Gulabari 59ml Rs20 free

<b>Brand</b>	<b>Types/ Flavor</b>	<b>Weight</b>	<b>Price (Rs)</b>	<b>Scheme</b>
Dabur		300ml	85	Dabur Red toothpaste 50g
Dabur		100ml	32	
Dabur	~	50ml	16	~
Bajaj Almond Drops	~	300ml	95	~
Bajaj Almond Drops	~	200ml	67	40g Colgate of Rs 12
Bajaj Almond Drops	~	100ml	40	~
Bajaj Almond Drops	~	75ml	29	~
Bajaj Almond Drops	~	50ml	22	~
Bajaj Almond Drops	~	20ml	10	~
Dabur Vatika	~	300ml	85	~
Dabur Vatika	~	150ml	45	~
Dabur Vatika	~	75ml	23	~
Dabur Vatika	~	200ml	70	~

### 2.3.6 Product Category: Hair Colour

As on 31 -03 – 2010

Brand	Types	Weight	Price (Rs)	Scheme
Garnier (Men/Women )	Natural black	40 gm	120	Garnier shampoo worth Rs. 36
	Developer	60 ml	120	
	Brown	60 ml	120	~
	Darkest Brown	60 ml	120	~
	Light Brown	60 ml	120	~
	Burgandy	60 ml	120	~
	Copper red	60 ml	150	Garnier fairness cream worth Rs. 75
	Intense red	60 ml	150	Garnier fairness cream worth Rs. 75
Garnier (men)	Darkest brown	60 ml	79	~
	Natural black	60 ml	79	~
	Burgandy	60 ml	79	~
Revlon	Medium brown	40 gm	145	~
	Developer	60ml	145	~
	Natural black	60ml	145	~
	Brown black	60ml	145	~
	Darkest brown	60ml	145	~
	Burgandy	60ml	145	~
	Light golden brown	60ml	145	~
Revlon (Ammonia free)	Black	40ml	300	~
	Developer	40ml	300	
	Soft black	40ml	300	~
	Deep burgandy	40ml	300	~

Brand	Types	Weight	Price (Rs)	Scheme
	Medium brown	40ml	300	Flex shampoo worth Rs105 (250ml)
	Brown black	40ml	300	Flex shampoo worth Rs105 (250ml)
Loreal	Natural darkest brown	12gm protective serum	489	Pearl perfect cream & Comb
		48gm cream colorant	489	
		72ml developer	489	
		40gm conditioner	489	
	Black	"	489	Pearl perfect cream & Comb
	Aishwarya's brown	"	489	Color protect 100ml shampoo & comb
	Natural brown	"	489	~
	Deep plum	"	489	~
	Burgandy	"	489	~
Loreal (Ammonia free)	Mahogany	48ml color	425	Antifreeze shampoo (100ml) & Gloves
		72ml developer	425	
		40ml conditioner	425	
	Black cherry	"	425	Anti freeze shampoo (100ml) & Gloves
	Plum	"	425	Gloves
	Ebony black	"	425	Gloves
	Darkest brown	"	425	Gloves
	Dak chocolate	"	425	Gloves

### 2.3.7 Product Category: Shaving Cream

As on 31 -03 – 2010

Brand	Types	Weight	Price	Scheme
Palmolive	Refreshing	30	29	~
		84	45	20% Extra
	Menthol	84	45	20% Extra
Godrej	Lime Fresh	91	50	30% Extra
	Rich Foam	91	45	30% Extra
		20	18	~
Fa	Cool wave	91	50	30% Extra
	Menthol	84	42	20% Extra
Denim	~	70	55	~
	~	30	20	~
Old Spice	Mask	70	55	~
		70	55	~
	Original	30	29	~
		70	55	~
Gillette	Ultra Comfort	60	55	~
	Tough Beard	60	55	~
V John	Premium	31	25	30% Extra
	Lime Fresh	125	24	~
		70	18	~
		30	12	~
	Menthol	125	24	~
		70	18	~
Vasmol	~	30	12	~
	Extra Leather	125	20	~
	Lemony	125	20	~
	Splash	125	20	~

### 2.3.8 Product Category: Fairness Cream

As on 31 -03 – 2010

Brand	Types	Weight	Price	Scheme
Fair & lovely	Total fairness	25	37	~
	Anti marks	25	45	~
	Winter care	25	37	~
	Men's active	25	36	~
	Ayurvedic	25	37	~
	Total fairness	50	68	~
	Anti marks	50	80	~
	Winter care	50	68	~
	Men's active	50	66	~
	Ayurvedic	50	62	~
	Total fairness	80	90	~
Ponds	~	25	65	~
	~	50	185	Face Wash 50 gms Rs. 60
Olay	Natural white	20	99	~
		50	299	~
Fair ever	Fruit fair ever	20	35	~
		50	65	~
Vicco turmeric	~	30	83	~
	~	50	121	~
	~	70	140	Vicco Paste Free
Fair one	~	25	35	15ml Fair one scrub free
Revlon	Touch & glow	50	110	~
				~
Loreal	Perfect white	50	499	~
Garnier	Garnier light	18	69	45gm Face wash free
	~	40	125	~
Neutrogena	Fine fairness	50	299	~



### 2.3.9 Product Category: Biscuits

As on 31 -03 – 2010

Brand	Types	Weight (gms)	Price	Scheme
Coconut (Surya Agro)	~	320	50	~
Marielite (Surya Agro)	~	350	35	~
CNC (Surya Agro)	~	240	30	~

Tasty treat (Unibic)	~	400	56	Rs.16 Off
Marie gold (Unibic)	~	304	20	~
Cream Biscuits	Bourne born	175	25	~
Cream for fun	Mango	175	25	~
	Chocolate	175	25	~

Bourne born ( Britannia)	~	169	22	~
Tigre ( Britannia)	~	201	10	~
		402	20	~
Cream biscuits ( Britannia)	Orange	176	10	16gms free
	Eliechi	176	10	16gms free
	Chocolate	72	5	~
Treat ( Britannia)	Jimjam	100	14	~
		200	25	~
	Masti orange	200	20	~
		100	12	~
	Eliechi fun	100	12	~
Gooday ( Britannia)	Butter	90	10	~
		180	20	~
	Kesar	90	13	~
	Pista badam	90	16	~
Cookies ( Britannia)	Chocolate	90	18	~
	Chocolate chip	75	15	~
Nice time ( Britannia)	~	173	18	~
Vita marigold ( Britannia)	~	278	27	~
Milkbikis ( Britannia)	~	178	24	~
	~	89	15	~
Bourne born ( Britannia)	~	78	10	~
50 50 tasty- tasty ( Britannia)	~	113	10	~
	Maska Chaska	66	10	~

Brand	Types	Weight (gms)	Price	Scheme
Time pass ( Britannia)	Namkin	114	10	~
	Classic slated	114	10	~
Cream biscuits and Hide n Seek ( Parle)	~		46	167gms+75 gms
Twenty and merygold	~		36	215gms+33 0gms
Merygold ( Parle)	~	330	20	30 gms extra
Milano cookie ( Parle)	Cookies	130	35	~
	Butternut	65	15	~
	Chocolate	65	15	~
Kreams gold ( Parle)	Eliechi	160	10	~
	Chocolate	138	10	~
	Orange	160	10	~
		80	5	~
	Mango	160	10	~
		80	5	~
	Pineapple	80	5	~
	Chocolate	138	10	~
Sunfeast ( ITC)	Marie light orange	147	12	~
	Marie lighth original with extra fibre	147	10	~
		306	20	~
	Glucoze biscuits	196	10	~
		392	20	~
	Sweet and salt	200	16	~
	Golden bakery butter nut cookies	75	15	~
	Golden bakery butter scoch cookies	75	15	~

### 2.3.10 Product Category: Tooth Paste

As on 31 -03 – 2010

Brand	Types	Weight	Price	Scheme
Dabur-babul	Natural calcium	380gms	54	2 toothbrushes Free
	Natural calcium	135gms	18	50% free
	Natural calcium	50gms	10	1 toothbrush Free
Dabur-red	Red	200gms	54	1 toothbrush Free
	Red	50gms	13	---
Meswak	---	200gms	30	---
	---	100gms	18	---
Close up active-gel	Red hot	300gms	92	Save 18 Rs.
	Red hot	150gms	54	---
	Red hot	40gms	15	---
	Red hot	35gms	10	---
	Menthol-chill	150gms	55	---
	Menthol-chill	80gms	32	---
	Milk-calcium	150gms	57	---
	Milk-calcium	80gms	32	---
	Lemon-mint	150gms	55	---
	Lemon-mint	80gms	32	---
	Peppermint-splash	150gms	55	---
	Peppermint-splash	80gms	32	---
Pepsodent	2 in 1 Germicheck plus	300gms	77	Save 13 Rs.
	2 in 1 Germicheck plus	200gms	56	Save 4 Rs.
	2 in 1 Germicheck plus	170gms	50	20gms Free
	2 in 1 Germicheck plus	80gms	25	---
	2 in 1 Germicheck plus	40gms	10	---
	2 in 1 Germicheck plus	20gms	5	---
	Whitening	150gms	52	---

Brand	Types	Weight	Price	Scheme
	Whitening	80gms	30	---
	Whitening	40gms	15	---
	Centre fresh	150gms	54	---
	Centre fresh	80gms	31	---
	Gum care	150gms	60	---
	Gum care	80gms	34	---
Anchor	White	400gms	65	1 toothbrush Free
	---	200gms	35	1 toothbrush Free
	Gel	150gms	45	Save 15 Rs.
Colgate	Herbal	300gms	84.5	1 toothbrush of
	Herbal	200gms	53.5	---
	Herbal	100gms	29.5	---
Cibaca	---	200gms	28	1 toothbrush Free
Cibaca	---	100gms	18	---
	---	50gms	10	---
	---	50gms	9	---
Colgate	Colgate-gel	230gms	87	80gms + 1 toothbrush Free
	Colgate-gel	150gms	55	---
	Colgate-gel	80gms	21	---
Colgate-maxi fresh	Cooling crystal	150gms	54	---
	Cooling crystal	80gms	32	---
	Cooling crystal	40gms	10	---
Colgate	Active salt	200gms	54.5	---
	Active salt	100gms	29.5	---
	Advance whitening sys.	150gms	53	---
	Sensitive	100gms	60	---

Brand	Types	Weight	Price	Scheme
	Sensitive	50gms	35	---
	Maxi white-crystal mint	150gms	57	---
	Total-clear mint	150gms	65	---
	Total-clear mint	75gms	35	---
	Dora explora	80gms	44	---
	Bubble	80gms	44	---
	Kids strawberry	80gms	44	---
Amway	Glister	100gms	120	40% off(scheme once in a Year)

### 2.3.11 Product Category: Toilet Shop

As on 31 -03 – 2010

Brand name	Quantity	Price (Rs)	Schemes	TFM
<b>Breeze</b>				
Inter Lemon Splash Fragrance	120gms*4	50	Save RS 18	~
Divine Sandal	120gms*4	50	Save RS 18:	~
Glycerin Soft fragrance Rajnigandha	113gms*4	47	Buy 3 get 1 Free	~
Rose Mallika	113gms*4	47	Save RS 5	~
<b>Lux</b>				
Aqua sparkle	125gms*4	79		70%
Strawberry and cream	125gms*4	79	Save RS 15:00	70%
Peach and cream	100gms*3	52	Save RS 2 and discover gold coin	70%
Purple and lotus	110gms*4	65	Save RS 14	70%
<b>LIFE BOUY</b>				
Total	80gms.	10	~	~
Skin Guard	75gms.	15	~	~
Total	120gms*4	58	Save RS 2	65%
Active fresh	108gms*4	58	Save RS 2	65%
Care	120gms*4	58	Save RS 2	65%

Brand name	Quantity	Price (Rs)	Schemes	TFM
<b>Dettol</b>				
Skin care	108gms	29	~	71%
Original	108gms	29	~	71%
Original	108gms*3	75	Save RS 12	71%
Fresh	120gms*3	75	Save RS12	71%
Cool	120gms*3	75	Save RS 12	71%
Skin care	70gms*3	54	Free Head & Shoulder shampoo worth RS 12	71%
Fresh	70gms*3	54	Free Head & Shoulder shampoo worth RS 12	71%
Original	70gms*3	47	Save RS 7	71%
<b>Dyna</b>				
Milk and almond	114gms*4	51	Buy 3 get 1	76%
Lime and aloe Vera	114gms*4	51	Buy 3 get 1	76%
Milk and rose	114gms*4	51	Buy 3 get 1	76%
Sandal and saffron	114gms*4	51	Buy 3 get 1	76%
<b>Dove</b>				
Cream beauty bar	71 gms	33	~	~
Fresh moisturizer	95 gms	45	~	~
Pink	100 gms	50	~	~
value pack	300 gms	125	Save RS 7	~
				~

Brand name	Quantity	Price (Rs)	Schemes	TFM
<b>Cinthol</b>				
Deo musk	92gms.	22		~
fresh lime	81gms.*4	52	Save Rs. 16	~
fresh aqua	81gms.*4	52	Save Rs. 16	~
<b>No. 1</b>				
Moisturizing cream	92gms.*4	50	Save Rs. 8	~
Lime & aloe Vera	104gms.*4	50	Save Rs. 8	~
Natural	104gms.*4	50	Save Rs. 8	~
Rose	104gms.*4	50	Save Rs. 8	~
Jasmine	104gms.*4	50	Save Rs. 8	~
Sandal	109gms.*4	50	Save Rs. 8	~
Fairglow (Natural Oxy -G)	109gms.*4	80	Save Rs. 20	~
Vigil (strong)	68gms.*4	39	Save Rs. 9	~



### 2.3.12 Product Category: Shampoo

As on 31 -03 – 2010

Brand	Types/ Varieties	Weight	Price	Scheme
Ayur Herbal Shampoo	Amla Shikakai with Aritha	1000 gms	190	~
	Soya proteins	1000 gms	190	~
	Rose marry	500 gms	105	~
Nyle nourishing shine shampoo	Amla apricot Shikakai	450gms	115	~
	~	900gms	210	Free faire-ever fruit fairness cream, 50gms
Nyle daily cleans shine	Amla chamomile Aritha, Lemon grass	450gms	120	Free faire-ever fruit fairness cream, 25gms
	~	900gms	210	Free faire-ever fruit fairness cream, 50gms
Head and shoulders	None	200ml	139	~
	~	90ml	69	~
Pantene pro-v	hair fall control	200ml	117	Free hair fall conditioner- Pantene pro-v shine
	Nourished shine	200ml	117	Free hair fall conditioner- Pantene pro-v shine
Lander shampoo	Plus vitamins	400gms	120	~
suave	Ocean bridge	444gms	120	~
Dabur Vatika	Root Strengthening	200gms	97	~
	Total protect health shampoo	200gms	79	~
	~	100gms	44	~
	Dandruff control lively black	200gms	120	~
	Naturally clean	200gms	120	~
	Hair fall defense	200gms	120	~
	~	120gms	65	~
	Black Shine	200gms	97	~
	~	100gms	49	~
	Smooth and Silky	200gms	97	~
All Clear	none	200gms	134	~
Sunsilk	Black Shine	100ml	54	~
	~	200ml	99	~

Brand	Types/ Varieties	Weight	Price	Scheme
Sunsilk	Anti dandruff shampoo	200ml	97	~
	Damaged hair reconstruction	200ml	99	~
	Dream soft and Smooth	200ml	99	~
	~	400ml	169	~
	Luscious & thick Long	400ml	169	~
	Hair Fall Solution	400ml	169	~
Garnier Fructice	~	100ml+100 gms	115	Fortifying shampoo & conditioner- Rs 23 Off
	~	200ml+200 gms	209	Fortifying shampoo & conditioner- Rs 48 Off
	~	100ml+100 gms	110	Silk & shine shampoo and conditioner- Rs 22 Off
	~	200ml+200 gms	209	Silk & shine shampoo and conditioner- Rs 47 Off
	~	100ml+100 gms	110	Dry & damage, Rs 22 Off
	~	200ml+200 gms	209	Dry & damage, Rs 47 Off
	~	100ml+100 gms	110	Long & Strong- Rs 22 Off
	Anti dandruff shampoo	400ml	215	~
	Normal shampoo	400ml	199	~
		200ml	117	~
	Silk n shine shampoo	200ml	117	~
	2in 1 shampoo	200ml	99	~
		100ml	54	~
	New color protect Conditioner	90gms	80	~
Himalaya	Anti hair fall shampoo	200ml	120	~
		400ml	199	~
Himalaya	Protein shampoo	200ml	105	~
	~	400ml	180	~
	softness and shine	200ml	105	~

### 2.3.13 Product Category: Face Wash

As on 31 -03 – 2010

Brand	Types/ Varieties	Weight	Price	Scheme
Lakme (HUL)	Strawberry	100gms	99	~
		50gms	60	~
	Matt effect	100gms	110	~
		50gms	70	~
	pure defense	100gms	165	~
		50gms	99	~
	Fundamentals	100gms	125	~
Dove	fresh moisturizer	50ml	65	~
	Gentle Exfoliating	50ml	65	~
Pond's	Pears	60gms	45	~
	Clear Solution	50gms	33	~
	Perfect Matte	50gms	60	~
	Daily Face Wash	50gms	35	~
	Intensive Moisture	50gms	60	~
Garnier	Essential	50gms	38	~
	Gentle Face Wash (Light)	48gms	65	~
	Pure (Purifying micro particels)	75ml	99	~
	Gel Face Wash	125ml	99	~
	Fresh	50ml	57	~
Nivea Visage	Refreshing water	75ml	45	~
Himalaya (Ayurvedic)	Neem Face Wash	50ml	45	~
	Gental Exfoliating	50ml	55	~
	Oil Balancing Gel	50ml	40	~
	Hydrating	50ml	40	~
Himalaya (Ayurvedic)	Neem Face Wash	50ml	45	~
	Gentle Exfoliating	50ml	55	~
	Oil Balancing Gel	50ml	40	~
	Hydrating	50ml	40	~
Everyuth (Zydus Cadila)	Fruit Face Wash	72gms	40	20% Extra
	Menz Scrub	75gms	60	No
	Lemon	75gms	60	20% Extra
	Neem Face Wash	72gms	35	20% Extra
	Cream Face Wash	72gms	35	20% Extra
	Light & Clear	60gms	50	20% Extra

Brand	Types/ Varieties	Weight	Price	Scheme
	Menz Scrub	75gms	70	~
	Menz pollution defense	75gms	60	~
	Intensive Moisturizer	75gms	65	~
Fair One (Elder Pharma)	Face scrub	60ml	45	~
No Marks (Ozone Ayurvedic)	Face Wash Ayurvedic	60ml	36	~
	No Pimple No Marks	60ml	45	~
Clearasil (Reckitt's Benckiser)	Daily Face Wash	50ml	55	~
				~
Neutrogena	Deep Clean Gentle Scrub	50gms	95	~
	Foaming Cleanser	50gms	85	~
	Deep Clean Facial Cleaner	200ml	320	~
Clean & Clear	Foaming Facial	100gms	60	~
	Foaming Facial	50gms	35	~
Olay	Natural White	50gms	99	~
	Total Effect	50gms	125	~
Ayur	Lemon & Honey Face Wash	50ml	33	~
	Tulsi & Neem Face Wash	50ml	33	~

**2.3.14 Product Category: Detergent Powder.**
**As on 31 -03 - 2010**

Brand	Types/ Varieties	Weight	Price	Scheme
	Matic Front Load	1kg	160	10/- off
		2kg	330	20/- off
	Matic Top Load	1kg	160	10/- off
		2kg	330	20/- off
	Quick wash	15gms	2	Get 1 for 5.
		200gms	36	~
		500gms	78	5/- off
		1 kg	152	10/- off
	Blue	475gms	55	7/- off
		1kg	186	~
		3.3kgs	450	9/- off
		4 kgs	480	surf excel Bar 800gm free
Ariel(P&G)	Oxy Blue	14gm	2	~
	Front-O-Mat	1kg	199	free container
	Spring clean	500gms	78	~
	Ultra Matic	500gms	100	~
	24 hrs fresh	500gms	84	~
		850gms	167	Free Pentene Pro-V shampoo 40ml
	Oxy Blue	1kg	152	~
HenKo(Henkal India)	Matic Oxygen & Power	1kg	165	Pril of 19/- free
		3.2kgs	380	Get Balti of 60/- free
	Stain champion	5kgs	499	50/- off
Nirma	~	15gms	1	~
		700gms	20	50 gm free
		1kg	30	~
Mr.White (Henkal)	Mr.White	325gms	10	~
		750gms	50	50 gm free
		3.25kgs	210	Henko Bar free of 60/-
		4kgs	260	500gm extra
		6kgs	329	~
		1kg	35	~
Hipolin	Power	1kg	35	~
	Ultra	2kgs	60	Rs. 11/- off
Tide	Dirt magnets	13gms	1	~

Brand	Types/ Varieties	Weight	Price	Scheme
	~	13gms	1	~
		200gms	10	50 gm extra
		500gms	35	~
		2kgs	140	~
	Jasmine & Rose	500gms	35	~
		2kgs	140	7/- off
		4kgs	880	20/- off
Wheel (HUL)	Active gold	600gms	30	~
	Active gold	4kgs	200	~
	Active	650gms	20	2/- off
	Active L&J	1kg	30	~
		2kgs	60	Two Rin Bar of Rs.10/- free
	Active Wheel	18gms	1	~
		300gms	10	25 gm extra
Rin(HUL)	Jasmine fresh	500gms	25	Rs. 10/- off
		1kg	50	~
		4kg	195	Save Rs. 85/-
	Rin	750gms	50	~
		1kg	70	Rin Bar 200gm of Rs.10/- free
		4kgs	195	Save Rs. 85/-
	Rin advance	125gms	5	~
		6kgs	415	Save Rs.116/-

Considering above mentioned FMCG Product categories, it can be observed that two types of sales promotion schemes are very popular among the marketers is Price off and value added sales promotion schemes. Again in value added schemes free gift and % extra are widely used. This is applicable across International, National and Local brands of the FMCG. Furthermore from the point of views of consumer's benefits, there are immediate and delayed types of benefits offered by various sales promotion schemes. Among two types of benefits immediate benefits are widely used.

While discussing with the experts and academicians it is found that the medium through which sales promotion schemes awareness created among consumers also plays important role to prefer the particular sales promotion scheme.

Going with it, for measuring the consumer preference of sales promotion schemes four attributes and their levels have been identified as mentioned below.

### 2.3.1 Identification of Attributes & Attributes Levels:

Serial No	Name of the Attribute	Attribute Levels
1	<b>Brand Type</b>	1. International
		2. National
		3. Local
2	<b>Awareness Medium</b>	1. Point of purchase material
		2. Mass Media
		3. Word of Mouth
3	<b>Type of Sales promotion Schemes</b>	1. Price off
		2. Value Added
4.	<b>Type of Benefits</b>	1. Immediate
		2. Delayed

### 2.4 Brand Defined:

There are many definitions of what branding is and the common thread in most of these definitions is that a brand must be clearly differentiated. The earlier definition of a brand was proposed by the American Marketing Association “a brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (O’Malley, 1991:107). Although this definition was criticized for being too product-oriented and with an emphasis on visual features as a differentiating factor, Dibb, Simkin, Pride, & Ferrell (1997) modified this original definition to a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers. The key change in the definition by

Dibbs *et al* (1997) is “any other feature” as this allows for intangibles such as brand image as a point of differentiation and not only the tangible visual features.

Ambler (2003) takes on similar viewpoint to that of Dibb *et al* (1997) by expanding the definition further as a name, symbol or design that identifies one or more product and it is something that is bought by the consumers. Ambler (2003) further emphasize the difference between a product and a brand by highlighting that unlike a product, which can be produced in a factory and it can be copied by a competitor, a brand is unique. Earlier definitions by Ambler (1995) was based on a consumer oriented approach by defining a brand as a promise of the bundles of attributes that someone buys and provide satisfaction.

The attributes that make up a brand may be real or illusory, rational or emotional, tangible or invisible. Wood (2000) supports this view and highlights that a brand can be defined from different perspective such as consumers' perspective and/or from the brand owner's perspective. In addition, brands are sometimes defined in terms of their purpose, and sometimes described by their characteristics.

According to Leiser (2004), the understanding of brands today is far beyond the simplistic view of a logo, tagline or advertising image but a set of expectations and associations evoked from experience with a company or product. Furthermore, it is all about how customers think and feel about what the business or product can deliver across the board. Batey (2008) elicit differences between a product and a brand as follows: You buy a product for what it does; you choose a brand for what it means.

- A product sits on retailer's shelves; a brand exists in consumers' minds.
- A product can quickly be outdated; a brand is timeless.
- A product can be copied by a competitor; a brand is unique.

Davis (2002) reiterates that consumers do not have a relationship with a product or service but he/she may have a relationship with a brand because a brand is a set of promises and therefore the strongest brands own a place in the consumer's mind. Furthermore, strong brands can increase the value of a company as investors are



willing to pay more for intangible asset such as a strong brand (Motameni and Shahrokhi, 1998; Davis 2002; Ambler, 2003; Rooney, 1995). In the context of this research paper, the question could be asked “What is a strong brand?”

According to Aaker (1996), a strong brand has a strong brand equity which is a set of assets such as: brand name awareness, brand loyalty, perceived quality and brand associations. However building strong brands is a challenge in today’s environment as there are substantial pressures and barriers both internal and external. Aaker (1996), further highlights that one needs to understand these pressures and barriers in order to develop strong brand strategies. Some of the barriers highlighted by Aaker (1996) are: price, proliferation of competitors, fragmented media and so forth.

Barron (2003) takes on a view that strong brands are built on a solid internal foundation based on four fundamentals:

- Create brand intent
- Align the organization
- Deliver customer experience
- Measure and refine

Creating brand intent maximizes the area of intersection between what a company does well and distinctively and what its targeted customers want or need. When brand intent is clear, it is important the whole organization is aligned to ensure that the entire organization is able to deliver the brand intent as this will help deliver customer experience through organizational capability and processes. Finally, a good evaluation programme will ensure that brands stay on intent (Barron, 2003).

Nandan (2005) suggests that strong brands have two very key distinct features namely brand image and brand identity however no matter how good a company is such as having a unique vision, strong management or superior product if the core benefits of the brand are not clearly communicated to the right target audience, the brand will ultimately fail. This is evidenced by well known strong brands such as Coke, Pepsi,

Mac Donald's, Nike, Apple etc. that are always communicated with clear benefits, brand image and identity. Also, managers of strong brands understand the changing needs of consumers and the micro and macro environments. According to Davis (2000), an understanding of competitors is vital in building a strong brand and the failure to understand one's competitors is ultimately the failure to know one's customers: who they are, how they think, and how the brand can be adapted to meet their needs.

Strong brands are developed over time and the branding literature increasingly suggests that the strength of a brand is not due to the strength of creating a difference in customer perceptions but rather brand strength is due to the meaning that the brand creates (Kay, 2005). Brands however need to be relevant and appeal to the new generation of consumers and that is why branding has evolved over the years and strong brands are always being revitalized to maintain relevancy and to attract new consumers.

## **2.5 The evolution of branding:**

The definition of branding has evolved over the years and the Oxford English dictionary (Oxford, 2009) traces the development of the word "brand" from the German word "brandr" which referred to the mark made by burning with a hot iron and its usage was first noted in 1552. According to Jevons (2005), branding was discovered long before the earliest definition of marketing in 1561 which therefore strongly suggests that branding was defined before the marketing subject was discovered. Over the years the definition of branding has evolved from referring to a brand as a name, symbol or logo" (O'Malley, 1991:107) to people's perception about a product or a company (Barron, 2003) and over time definitions within the business literature have included value enhancement or adding value (Jevons, 2005).

According to Rooney (1995), the use of branding by big business is nothing new and branding itself is more than one hundred years old with the majority of countries having started trademark acts to establish the legality of a protected asset as far back as 1890. The years 1800 through to 1925 were known as the richest period of name

giving (Hambleton, 1987). The 90's saw a change in branding with a focus on creating mutually beneficial situations for the consumer and the brand. According to Berry (1993), many companies realized that they needed adequate price control measures and effective and efficient brand building activities to strengthen the brand equity. Companies started applying brands to more diverse settings where the role of branding has become more important.

The harsher environments in the 90's forced organizations to work harder to gain profits and thus there was a shift in the way brand management was organized as it became a team effort within organizations with a focus on enhancing the customer experience (de Chernatony, 1996). The concept of branding also became more globalised with global brands gaining more recognition and value. According to Motameni and Shahrokhi (1998), brands that are available in many different countries have more value than brands that are available in a fewer markets.

Over the years, companies have used branding as part of marketing strategy to grow and diversify their businesses and during the 1980's, brands were used as valuable assets for takeovers on the open market and this saw a rise in acquisition of branded companies (Rooney, 1995). The increase in acquisitions in the 80's resulted in many brands suffering because of the change in management that is always associated with acquisitions and this resulted in many brands losing a clear image in the consumers mind (Rooney, 1995).

According to Beverland (2005), brands have always been commercial agents and brand managers take pride in their ability to meet the needs of their target market. However, these two desires are in conflict with the recent trend towards positioning brands as "authentic," emphasizing the timeless values desired by consumers while downplaying apparent commercial motives. The dual problem for the firm is in creating images of authenticity while dealing with the challenge that authenticity presents for brand management. As such brands that seem to be too focused on the bottom line and not on societal issues are sometimes viewed as not authentic.

According to Henkel, Tomczak, Heitmann & Herrmann (2007), market saturation and consumer confusion have changed the role of branding dramatically during the last decades. Consumers therefore try to handle the flood of apparently exchangeable products and services by demanding those goods that provide a holistic and coherent consumption experience. As a result, brands are no longer simple product labels, but they are communication platforms towards customers and other stakeholders that convey specific attributes of products or services as well as company values and mission statements. Kunde (2002), highlights that today, however the western world is over supplied and there is an over abundance of everything and we live in an era of excess. Offering more of the same is no longer a viable option and differentiation and uniqueness are important. Kunde (2002) further highlights that there is only one place that marketers must be serious about and that is the human mind.

As highlighted in the earlier sections, consumers do not purchase products but purchase brands and therefore top of mind awareness is important. If your brand can maintain top of mind awareness and is unique and clearly differentiated, it becomes easier for consumers to select this brand over those of competitors and it becomes part of their repertoire. However no matter how much marketing support goes behind a brand, it is important that the right message about what the brand stand for is communicated. Today, brand management is still as complex as it was before as brands are not static but evolve all the time and the role of brand custodians is to ensure that the brand remains relevant in consumers' mind and repertoire.

## **2.6 Brand Equity and Perception:**

Brand equity is normally used by most organizations as a measure of how strong the brand is. Brand equity has been considered in many contexts, Aaker (1991), defines brand equity from a consumer perspective of brand loyalty, awareness, perceived quality and brand image whilst other authors such as Farquhar (1989) define brand equity from a financial perspective (added value endowed by the brand). Because brand equity is so important for marketers, many invest millions in marketing activities that are meant to increase it; however there seem to be no link between

brand equity measures and financial performance. Many organizations track brand equity consistently in order to ascertain consumer satisfaction, awareness and loyalty amongst other things. Although this is a good practice, it does not add value if this information is not shared with the rest of the organization especially the executives.

According to Ambler (2003), there is a big difference between measuring brand valuation, market share and brand equity and more often than not most companies focus on brand valuation rather than brand equity. Brand equity is the asset itself whilst brand valuation measures what the asset is worth. It is therefore logical to put measures in place to track how the asset (brand equity) is performing. In essence, building strong brand equity can influence future consumer behaviour and therefore increase the value of a brand (Ambler, 2003). According to a survey on top 100 most valuable global brands 2009, knowing a brand's value is important as it enables business leaders, investors and other stakeholders to make better decisions such as the return on investment in marketing initiatives (Millward Brown, 2008). The brand value is calculated based on the intrinsic value of the brand derived from its ability to generate demand and is based on customer opinion (brand equity) and financial performance (Millward Brown, 2008). This therefore supports the view that brand equity tracking is important to ensure that the value of the asset is sustained.

A study conducted by Hong-bumm, Woo & Jeong (2003), on the effect of consumer-based brand equity on firm's financial performance, they concluded that a lack of brand equity in hotel firms can damage potential sales flow and that strong brand equity can cause a significant increase in revenue. These findings were based on the fact that consumers base their choice of hotel and how much they are prepared to pay on key factors such as: brand loyalty, awareness, perceived quality and brand image all of these which are key components of measuring brand equity.

From the discussion above, it is evident that brands are the heart of any business and if well managed, they can help increase the firm's financial value however the question is how many organizations are focusing on the short term (sales and market share) versus long term (investing in brand building activities that will drive long term growth and thus creating sustainable financial growth value of the firm).

Brand equity is another concept that is closely related to branding and brand management. The concept of brand equity was invented in 1980's and only gained popularity in the 1990's (Aaker, 1991). It is therefore still a relatively new and complex concept that is often difficult to describe. The steadily growing literature contains several often divergent viewpoints on the dimensions of brand equity, the factors that influence it, the perspectives from which it should be studied, and the ways to measure it. However, there is agreement among researchers on the general definition of the concept. Brand equity is defined as the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name (Aaker 1991; Dubin, 1998; Farquhar 1989; Keller 2003; Leuthesser 1988).

Ambler (2003: 281), defines brand equity as “ an important intangible asset for the company, it can be seen as the reservoir of results gained by good marketing but not yet delivered to the profit and loss account”. Yoo, Donthu & Lee (2000), define brand equity as the difference in consumer choice between a branded and unbranded product given the same level of product features. Aaker (1991) defines it as a set of assets and liabilities connected to a brand that add to or detract from its value to the customer and to the business and creating brand equity profile involves the identification of the various customer associations with a brand and levels of customer awareness and loyalty that set it apart from competitors. Leiser (2004), concur and adds that all those associations (positive, negative and neutral) evoked from customer experience with a brand combine to create the brand's equity.

Because brand equity is such a complex subject, it can be viewed from a variety of perspectives. Motameni and Shahrokhi (1998), highlights that although brand equity is generally viewed from two perspectives such as: marketing decision making and financial perspective, there is a need to view brands from a global perspective especially since successful maintenance of global image and recognition translates into hard currency in international business as is the case with the likes of McDonald's and Coca Cola. Marketing decision includes aspects such as awareness, loyalty, quality and propriety brand assets with an aim of improving efficiency of the

marketing process. Financial decision on the other hand involves financial market value based techniques (Motameni and Shahrokhi, 1998).

Best (2005), defines brand equity the way the term equity in business is normally defined as depicted in figure 2.2 below. According to Best (2005) in a business, the owners equity is the value of the owner's holdings in the company and is determined by the difference between what a company owns in assets and what a company owes in liabilities, therefore the larger the ratio of assets to liabilities the greater the owner's equity. Brand equity can also be assessed the same way and to calculate brand equity one must simply subtract the total brand liability score from the total brand asset score (Best, 2005).

Brand equity can also be used to distinctly separate selling from marketing as in essence selling seeks an immediate order for a product and aims to increase the revenue line of a profit and loss account immediately whilst marketing invests resources before it expects to reap the rewards (Ambler, 2003). Brand equity has become the most valuable asset for many companies. Kohli and Thakor (1997), make a very good point by highlighting that consumers do not buy jeans but buy Levi's and no one buys corn flakes but Kellogg's and furthermore, the strength of the brand names have resulted in acquisitions amounting to billions for the following companies:

- Nestle acquired Perrier for \$2.5 billion.
- Phillip Morris acquired Kraft for \$13 billion.
- Nabisco was sold for over \$25 billion.

According to Ambler (2003) there is also a distinct difference between the asset (brand equity) and what the asset is worth (brand valuation). Brand equity also plays an important role in increasing the value of the business and companies pay good money for these assets (Ambler, 2003; Motameni and Shahrokhi, 1998). Aaker (1996) highlights that there are four major assets through which brand equity generates value and these are: brand name and awareness, brand loyalty, perceived quality and brand associations

Because of the value that brand equity adds for shareholders, it is still surprising that there are still debates as to whether brand equity building activities are important or not and as a result companies that are focused on short term gains do not perceive brands as important assets. By viewing brands as assets, companies are better able to put their brand building expenditure in context with the value that those brands deliver (Davis, 2002).

According to Yoo *et al* (2000), there are several dimensions of brand equity and any marketing action has the potential to affect brand equity because it represents the effect of accumulated marketing investments into the brand. Furthermore, brand name recognition with strong associations, perceived quality of product, and brand loyalty can be developed through careful long-term investments. In a study to examine selected marketing mix and brand equity, Yoo *et al* (2000), recognized that there are two types of marketing management efforts from a long term perspective of brand management namely: brand building activity and brand-harming activity. It was observed that frequent use of price promotions is a typical example of brand-harming activity whilst high advertising spending, high price and distribution through retailers with store images and high distribution intensity are good examples of brand-building activity. The results of regular price cutting can negatively affect brand equity as a perception is created that product quality has been compromised. In their recommendations, Yoo *et al* (2000), suggests that managers should avoid frequent price cuts or a consistent low price strategy because they lower perceived quality and product image.

From the above discussion, it is evident that brand equity is a major marketing asset of many firms and that it can be used to drive long-term growth and deliver value for shareholders. Although brand equity plays a significant role in increasing shareholder value, it is important that measures are put in place to track it. It is a well known fact that what is not measured is not managed and therefore tracking and measuring brand equity assist in creating brands that consistently deliver on their promise. As brand equity is an intangible asset, most people struggle to quantify it however various tools are available that have been used effectively by many organizations to measure brand equity.



An attempt to define the relationship between customers and brands produced the term "brand equity" in the marketing literature. The concept of brand equity has been debated both in the accounting and marketing literatures, and has highlighted the importance of having a long-term focus within brand management. Although there have been significant moves by companies to be strategic in the way that brands are managed, a lack of common terminology and philosophy within and between disciplines persists and may hinder communication.

Brand equity, like the concepts of brand and added value has proliferated into multiple meanings. Accountants tend to define brand equity differently from marketers, with the concept being defined both in terms of the relationship between customer and brand (consumer-oriented definitions), or as something that accrues to the brand owner (company-oriented definitions). It has been simplified that the variety of approaches, by providing a classification of the different meanings of brand equity as:

- The total value of a brand as a separable asset when it is sold, or included on a balance sheet;
- A measure of the strength of consumers' attachment to a brand;
- A description of the associations and beliefs the consumer has about the brand.

The first of these is often called brand valuation or brand value, and is the meaning generally adopted by financial accountants. The concept of measuring the consumers' level of attachment to a brand can be called brand strength (synonymous with brand loyalty). The third could be called brand image, though used the term brand description. When marketers use the term "brand equity" they tend to mean brand description or brand strength. Brand strength and brand description are sometimes referred to as "consumer brand equity" to distinguish them from the asset valuation meaning.

Brand description is distinct because it would not be expected to be quantified, whereas brand strength and brand value are considered quantifiable. Brand value may

be thought to be distinct as it refers to an actual or notional business transaction, while the other two focus on the consumer. There is an assumed relationship between the interpretations of brand equity. This relationship implies the causal chain shown in Figure 1.

Figure 1

The brand equity chain

brand description→brand strength→brand value

Very simply, brand description (or identity or image) is tailored to the needs and wants of a target market using the marketing mix of product, price, place, and promotion. The success or otherwise of this process determines brand strength or the degree of brand loyalty. A brand's value is determined by the degree of brand loyalty, as this implies a guarantee of future cash flows.

It has been considered that using the term brand equity creates the illusion that an operational relationship exists between brand description, brand strength and brand value that cannot be demonstrated to operate in practice. This is not surprising, given that brand description and brand strength are, broadly speaking, within the remit of marketers and brand value has been considered largely an accounting issue. However, for brands to be managed strategically as long-term assets, the relationship outlined in Figure 1 needs to be operational within the management accounting system. The efforts of managers of brands could be reviewed and assessed by the measurement of brand strength and brand value, and brand strategy modified accordingly. Whilst not a simple process, the measurement of outcomes is useful as part of a range of diagnostic tools for management.

Whilst there remains a diversity of opinion on the definition and basis of brand equity, most approaches consider brand equity to be a strategic issue, albeit often implicitly.

It has been suggested that managers of brands choose between taking profits today or storing them for the future, with brand equity being the ``. . . store of profits to be realised at a later date.

This definition of brand equity distinguishes the brand asset from its valuation. This approach is intrinsically strategic in nature, with the emphasis away from short-term profits. Davis (1995) also emphasizes the strategic importance of brand equity when he defines brand value (one form of brand equity) as `` the potential strategic contributions and benefits that a brand can make to a company." In this definition, brand value is the resultant form of brand equity in Figure 1, or the outcome of consumer-based brand equity.

Keller (1993) also takes the consumer-based brand strength approach to brand equity, suggesting that brand equity represents a condition in which the consumer is familiar with the brand and recalls some favourable, strong and unique brand associations. Hence, there is a differential effect of brand knowledge on consumer response to the marketing of a brand. This approach is aligned to the relationship described in Figure 1, where brand strength is a function of brand description.

It has been related that brand equity to added value by suggesting that brand equity involves the value added to a product by consumers' associations and perceptions of a particular brand name. It is unclear in what way added value is being used, but brand equity fits the categories of brand description and brand strength as outlined above.

Leuthesser (1988) offers a broad definition of brand equity as: the set of associations and behaviour on the part of a brand's customers, channel members and Parent Corporation that permits the brand to earn greater volume or greater margins than it could without the brand name.

Marketers tend to describe, rather than ascribe a figure to, the outcomes of brand strength. It has been suggested that brand equity increases the probability of brand choice, leads to brand loyalty and ``insulates the brand from a measure of competitive threats." Aaker (1991) suggests that strong brands will usually provide higher profit

margins and better access to distribution channels, as well as providing a broad platform for product line extensions.

Brand extension is a commonly cited advantage of high brand equity, Keller and Aaker (1992) suggesting that successful brand extensions can also build brand equity. Loken and John (1993) and Aaker (1993) advise caution in that poor brand extensions can erode brand equity.

Farquhar (1989) suggests a relationship between high brand equity and market power asserting that: The competitive advantage of firms that have brands with high equity includes the opportunity for successful extensions, resilience against competitors' promotional pressures, and creation of barriers to competitive entry.

This relationship is summarized in Figure 2. Figure 2 indicates that there can be more than one outcome determined by brand strength apart from brand value. It should be noted that it is argued by Wood (1999) that brand value measurements could be used as an indicator of market power.

Achieving a high degree of brand strength may be considered an important objective for managers of brands. If we accept that the relationships highlighted in Figures 1 and 2 are something that we should be aiming for, then it is logical to focus our attention on optimizing brand description. This requires a rich understanding of the brand construct itself. Yet, despite an abundance of literature, the definitive brand construct has yet to be produced. Subsequent discussion explores the brand construct itself, and highlights the specific relationship between brands and added value. This relationship is considered to be key to the variety of approaches to brand definition within marketing, and is currently an area of incompatibility between marketing and accounting.

Figure 2

The relationship between brand equity and market power

|brand description→brand strength→market power|

The question of the short-term effectiveness of sales promotions (or lack of it) is particularly important for brands with a high level of customer-based brand equity (from now on, referred to as “high-equity brands”) because of concerns about the long-term effects of sales promotions on brand equity. Existing analytical models argue that, in such a situation, the high-equity brand should price discount in order to capture the buyers of the private label (Rao 1991). However, empirical evidence on the effectiveness of sales promotions for high and low-equity brands is mixed. While some studies found that higher-quality brands gain more from a price cut than lower quality brands (Blattberg and Wisniewski 1989), others found the opposite (Bronnenberg and Wathieu 1997).

Keller’s (1993) defines the brand equity as it states that consumers are more responsive to the marketing mix of brands with high levels of brand equity. Blattberg and Wisniewski (1989) provide empirical evidence of the higher promotion elasticity of high-quality brands in the case of a duopoly between brands of differing perceived quality. There are also theoretical arguments supporting the leveraging impact of brand equity on benefit congruency. Compared to high-equity brands, low-equity brands do not provide as many benefits (utilitarian or hedonic) and are bought because of their lower price. Low-equity brands should therefore be less sensitive than high-equity brands to the congruency between their weaker benefits and those of the promotion. Prior research provides evidence supporting this assertion.

The cross-promotion asymmetry documented by Blattberg and Wisniewski (1989) implies that monetary promotions should be less effective for the low-equity utilitarian brand—despite their benefit congruency—because of their incapacity to attract the price insensitive buyers of the high-equity brand. The loss aversion argument that explains the cross-promotional asymmetry for monetary promotions

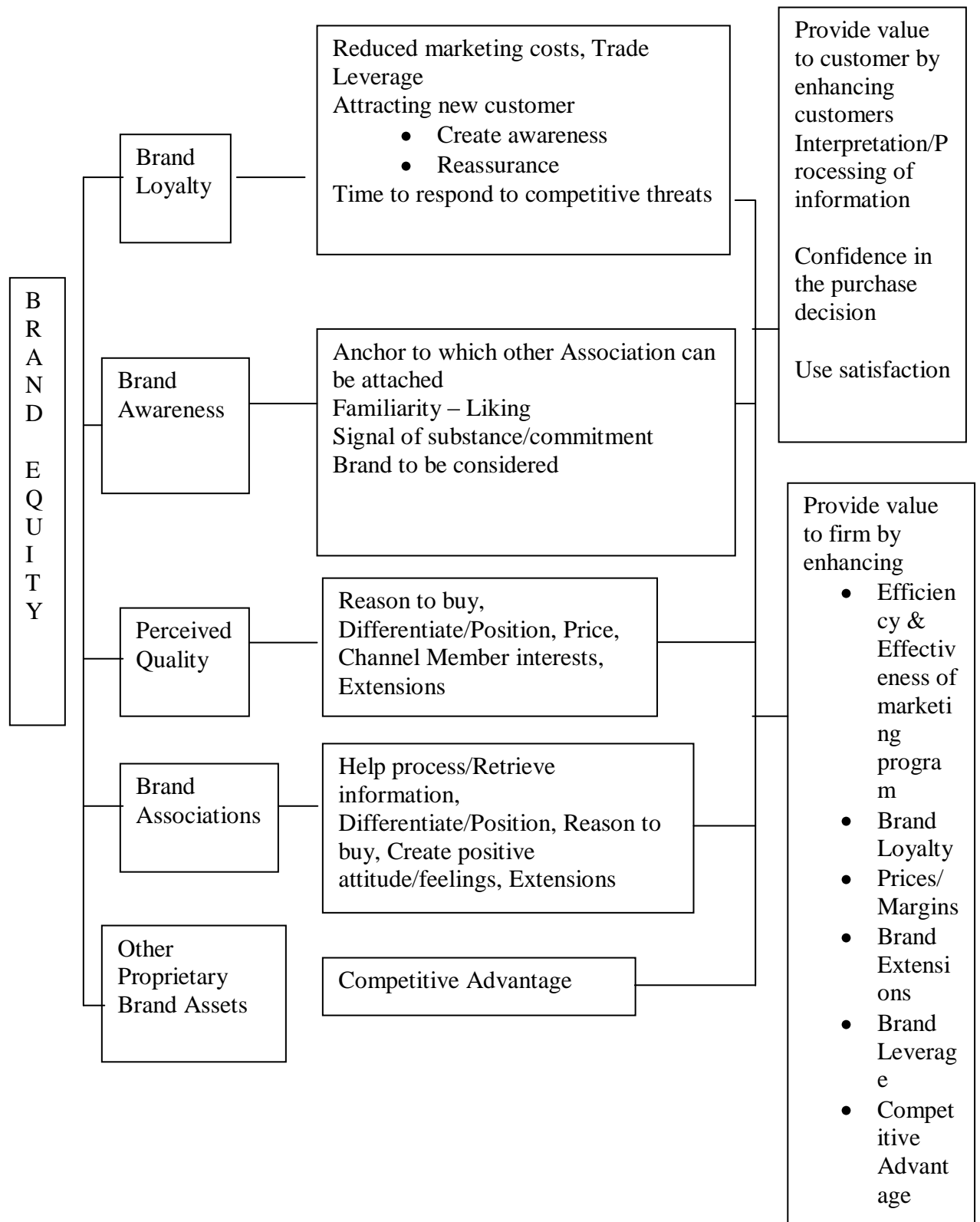
applies to non-monetary promotions as well. Non-monetary promotions should be less effective for the low-equity hedonic brand than for its high-equity counterpart because the buyers of high-equity brands are more reluctant to trade down in hedonic product benefits (a loss) than buyers of low-equity brands are to trade up (a gain).

Perhaps because coupons and temporary price reductions are the most common form of sales promotions, most research has assumed that monetary savings is the only consumer benefit of sales promotions. Consequently, while many studies have examined the costs of promotion usage, comparatively few have examined their benefits to the consumer. It has been concluded that:

1. Sales promotions can provide consumers with an array of hedonic and utilitarian benefits beyond monetary savings. Hedonic benefits include value-expression, entertainment, and exploration. Along with simple monetary savings, utilitarian benefits also include product quality and shopping convenience.
2. Non-monetary promotions provide more hedonic benefits and fewer utilitarian benefits than monetary promotions. All benefits, except quality, contribute to the overall evaluation of monetary and nonmonetary promotions. However, each type of promotion is primarily evaluated based on the dominant benefits it provides.
3. For high-equity brands, sales promotions are more effective when they provide benefits that are congruent with those provided by the product being promoted. Specifically, monetary promotions are more effective for utilitarian products than for hedonic products. Conversely, non-monetary promotions are relatively more effective for hedonic products than for utilitarian products.

In this research Definition of brand equity given by Aakar has been taken as a working definition of Brand Equity, as it is a consumer oriented definition of Brand Equity.

## 2.7 Aaker's Brand Equity Frame work:



Above Mentioned sources have been considered to measure Brand Equity perception namely, Brand Loyalty, Brand Awareness, Perceived Quality and Brand Associations considering the sales promotion schemes.



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## **Chapter 3**

### **Literature Review of Sales Promotion schemes and Consumer Preference.**

3.0 Promotion and Consumption

3.1 Sales promotion Schemes and Consumer Preference

3.2 Brand Equity Measurement

3.3 Sales Promotion Types and Preferences

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## **Chapter 3**

### **Literature Review**

#### **3.1 Promotion & Consumption:**

Does consumption respond to promotion? Many studies have focused on the effects of promotion on brand switching, purchase quantity, and stockpiling and have documented that promotion makes consumers switch brands and purchase earlier or more. The consumers' consumption decision has long been ignored, and it remains unclear how promotion affects consumption (Blattberg et al. 1995). Conventional choice models cannot be used to address this issue because many of these models assume constant consumption rates over time (usually defined as the total purchases over the entire sample periods divided by the number of time periods). While this assumption can be appropriate for some product categories such as detergent and diapers, it might not hold for many other product categories, such as packaged tuna, candy, orange juice, or yogurt. For these categories, promotion can actually stimulate consumption in addition to causing brand switching and stockpiling. Thus, for product categories with a varying consumption rate, it is critical to recognize the responsiveness of consumption to promotion in order to measure the effectiveness of promotion on sales more precisely

Emerging literature in behavioural and economic theory has provided supporting evidence that consumption for some product categories responds to promotion. Using an experimental approach, Wansink (1996) establishes that significant holding costs pressure consumers to consume more of the product. Wansink and Deshpande (1994) show that when the product is perceived as widely substitutable, consumers will consume more of it in place of its close substitutes. They also show that higher perishability increases consumption rates. Adopting scarcity theory, Folkes et al. (1993) show that consumers curb consumption of products when supply is limited because they perceive smaller quantities as more valuable. Chandon and Wansink (2002) show that stockpiling increases consumption of high convenience products



more than that of low-convenience products. In an analytical study, Assuncao and Meyer (1993) show that consumption is an endogenous decision variable driven by promotion and promotion-induced stockpiling resulting from forward-looking behaviour.

There are some recent empirical papers addressing the promotion effect on consumer stockpiling behaviour under price or promotion uncertainty. Erdem and Keane (1996) and Gonul and Srinivasan (1996) establish that consumers are forward looking. Erdem et al. (2003) explicitly model consumers' expectations about future prices with an exogenous consumption rate. In their model, consumers form future price expectations and decide when, what, and how much to buy. Sun et al. (2003) demonstrate that ignoring forward looking behaviour leads to an over estimation of promotion elasticity.

### **3.2 Sales Promotion and Consumer Response/ Preference:**

Consumer promotions are now more pervasive than ever. Witness 215 billion manufacturer coupons distributed in 1986, up 500% in the last decade (Manufacturers Coupon Control Center 1988), and manufacturer expenditures on trade incentives to feature or display brands totalling more than \$20 billion in the same year, up 800% in the last decade (Alsop 1986; Kessler 1986). So far, not much work has been done to identify the purchasing strategies that consumers adopt in response to particular promotions, or to study how pervasive these strategies are in a population of interest. Blattberg, Peacock and Sen (1976) define a purchase strategy as a general buying pattern which "incorporates several dimensions of buying behaviour such as brand loyalty, private brand proneness and deal proneness." A greater understanding of the different types of consumer responses to promotions can help managers to develop effective promotional programs as well as provide new insights for consumer behaviour theorists who seek to understand the influence of different types of environmental cues on consumer behaviour.

Blattberg, Eppen, and Lieberman (1981), Gupta (1988), Neslin, Henderson, and Quelch (1985), Shoemaker (1979), Ward and Davis (1978), and Wilson, Newman,

and Hastak (1979) find evidence that promotions are associated with purchase acceleration in terms of an increase in quantity purchased and, to a lesser extent, decreased inter purchase timing. Researchers studying the brand choice decision-for example, Guadagni and Little (1983) and Gupta (1988)-have found promotions to be associated with brand switching. Montgomery (1971), Schneider and Currim (1990), and Webster (1965) found that promotion-prone households were associated with lower levels of brand loyalty.

Blattberg, Peacock, and Sen (1976, 1978) describe 16 purchasing strategy segments based on three purchase dimensions: brand loyalty (single brand, single brand shifting, many brands), type of brand preferred (national, both national and private label), and price sensitivity (purchase at regular price, purchase at deal price). There are other variables that may be used to describe purchase strategies, examples are whether the household purchases a major or minor (share) national brand, store brand, or generic, or whether it is store-loyal or not. McAlister (1983) and Neslin and Shoemaker (1983) use certain segments derived from those of Blattberg, Peacock, and Sen but add a purchase acceleration variable to study the profitability of product promotions.

Throughout the world, consumer sales promotions are an integral part of the marketing mix for many consumer products. Marketing managers use price-oriented promotions such as coupons, rebates, and price discounts to increase sales and market share, entice trial, and encourage brand switching. Non-price promotions such as sweepstakes, frequent user clubs, and premiums add excitement and value to brands and may encourage brand loyalty (e.g., Aaker 1991; Shea, 1996). In addition, consumers like promotions. They provide utilitarian benefits such as monetary savings, added value, increased quality, and convenience, as well as hedonic benefits such as entertainment, exploration, and self expression (Chandon, Laurent, and Wansink, 1997).

A large body of literature has examined consumer response to sales promotions, most notably coupons (e.g., Sawyer and Dickson, 1984; Bawa and Shoemaker, 1987 and 1989; Gupta, 1988; Blattberg and Neslin, 1990; Kirshnan and Rao, 1995; Leone and

Srinivasan, 1996). Despite this, important gaps remain to be studied. It is generally agreed that sales promotions are difficult to standardize because of legal, economic, and cultural differences (e.g., Foxman, Tansuhaj, and Wong, 1988; Kashani and Quelch, 1990; Huff and Alden, 1998). Multinational firms should therefore understand how consumer response to sales promotions differs between countries or states or province.

### **3.3 Brand Equity Measurement:**

According to Rust, Ambler, Carpenter, Kumar, & Srivastava (2004), it is important to measure marketing asset of a firm which they define as customer focused measures of the value of the firm (and its offerings) that may enhance the firm's long-term value. To measure this, they focus on two approaches: brand equity and customer equity. Measuring brand equity deals with the measurement of intangible marketing concepts, such as product image reputation and brand loyalty. Rajagopal (2008) supports the view of measuring the marketing asset of a firm and highlights that the major advantage of a brand measurement system is that it links brand management and business performance of the firm and is a strategic management tool for continuous improvement rather than a static snapshot in time of the brand's performance. An effective brand measurement system therefore helps businesses to understand how the brand is performing with the framework of customer values and against competing brands.

According to Ambler, 2003 many companies measure brand equity to ensure that marketing activities are aligned with the company's strategy and to ensure that investment is used for the right brands. Ambler (2003) further defines marketing metrics as quantified performance measures regularly reviewed by top management which can be classified into six categories such as:

1. Consumer intermediate: such as consumer awareness and attitudes. The measure lies in inputs (advertising) and behaviour (sales).
2. Consumer behaviour: such as quarterly penetration.

3. Direct trade customer: distribution availability.
4. Competitive market measures: market share (measure relative to a competitor or the whole market).
5. Innovation: such as share of turnover due to new products.
6. Financial measures: advertising expenditure or brand valuation.

Multinationals such as Coca Cola, PepsiCo, McDonald's, IBM and many others have marketing metrics in place that are used globally to measure and track brand equity.

According to Kish, Risky & Kerin (2001), PepsiCo measures and tracks brand equity using a propriety model called Equitrak which is based on two factors: (1): Recognition – how broad and deep is a brand's awareness and (2): Regards: which measures how people feel about the brand and includes brand reputation, affiliation, momentum and differentiation. The Equitrak model used by PepsiCo not only tracks the company brands but competitor brands as well and is used by all subsidiaries in different countries. McDonald's UK has key areas for metrics to track their marketing quarterly: 1. Sales transaction (which also includes customer satisfaction, value for money and cleanliness), 2. Market share and brand equity measures (awareness, and advertising recall) and 3. Mystery diners who visit the stores to evaluate the service level (Ambler, 2003). Shell also uses a global tracker which provides metrics and diagnostics for their brand versus competitors across 70 countries and has a range of questions including awareness, trial, purchase, loyalty and image (Ambler, 2003).

The key therefore is to balance financial and non financial goals and many authors do agree that top management must support this and regular review of both financial and non-financial goals is necessary to drive a market orientated business. Dunn and Davies (2004), suggest that having a brand focused business should be a top bottom approach driven by the top executives. The concept of market orientation therefore plays a significant role. According to Barwise & Farley (2004), both external and internal forces are steadily forcing firms to be more market oriented and research suggests that market-oriented firms tend to enjoy superior performance. This view is supported by Best (2005), who says that a strong market orientation cannot be created by a mere proclamation but by adopting a market based management philosophy

whereby all members of the organization are sensitive to customers' needs and are aware of these needs. The benefits of strong market orientation are: better understanding of competitors, customer focus, customer satisfaction and high profits (Best, 2005; Ambler, 2003).

Davis (2002) adds that brands should be managed as assets using a top down approach where senior executives embrace the concept that marketing should have a leading seat at the strategy table and use the brands to drive key strategic decisions. Also if senior executives are vocal and show commitment to the brands, then employees within an organization will start taking ownership of the brand.

### **3.4 Sales Promotion Types and Preferences:**

At this point, it is useful to define what mean by the terms "expected price" and "price promotion." Following Thaler (1985), it is viewed that the price consumers' use as a reference in making purchase decisions as the price they expect to pay prior to a purchase occasion. Further, the expected price may also be called the "internal reference price" (Klein and Oglethorpe 1987) as opposed to an external reference price such as the manufacturers' suggested list price. Finally, a brand is on price promotion when it is offered with a temporary price cut that is featured in newspaper advertising and/ or brought to consumers' attention with a store display sign.

The price expectations hypothesis has been used to provide an alternative explanation for the observed adverse long-term effect of price promotions on brand choice (Kalwani et al. 1990). Previous research has shown that repeat purchase probabilities of a brand after a promotional purchase are lower than the corresponding values after a non promotional purchase (Dodson, Tybout, and Sternthal 1978; Guadagni and Little 1983; Shoemaker and Shoaf 1977). Dodson, Tybout, and Sternthal evoke self-perception theory to predict that if a purchase is induced by an external cause (such as a price promotion) as opposed to an internal cause (e.g., the brand will be reduced when the external cause is removed. Alternatively, Kalwani et al. argue that consumers form expectations of a brand's price on the basis of, among other things, its past prices and the frequency with which it is price promoted. Consumers' reactions to

a retail price then may depend on how the retail price compares with the price they expect to pay for the brand.

Specifically, during a price promotion, they are apt to perceive a price "gain" and react positively; correspondingly, when the deal is retracted, they are apt to perceive a price "loss" and are unlikely to purchase the brand. Neslin and Shoemaker (1989) offer yet another alternative explanation for the phenomenon of lower repeat purchase rates after promotional purchases. They argue that the lower repeat purchase rates may be the result of statistical aggregation rather than actual declines in the purchase probabilities of individual consumers after a promotional purchase. Specifically, "if the promotion attracts many consumers who under non promotion circumstances would have very low probabilities of buying the brand, then on the next purchase occasion the low probabilities of these consumers bring down the average repurchase rate among promotional purchases".

The behaviour of households that have low probabilities of buying a brand upon the retraction of a deal can be explained readily in a price expectation framework. It has been suggested that the price they expect to pay for the brand may be close to the deal price and they may forego purchasing the focal brand when it is not promoted because its retail price far exceeds what they expect to pay for it.

It has been investigated that the impact of price promotions on consumers' price expectations and brand choice in an interactive computer-controlled experiment. Manohar U. Kalwani and Chi Kin Yim discussed that expected prices were elicited directly from respondents in the experiment and used in the empirical investigations of the impact of price promotions on consumers' price expectations. Further, rather than studying the impact of just a single price promotion and its retraction, they assessed the significance of the dynamic or long-term effects of a sequence of price promotions. They have concluded that both the price promotion frequency and the size of price discounts have a significant adverse impact on a brand's expected price.

Consistent with the findings of Raman and Bass (1988) and Gurumurthy and Little (1989), they also found evidence in support of a region of relative price insensitivity

around the expected price such that changes in price within that region produce no pronounced change in consumers' perceptions. Price changes outside that region, however, are found to have a significant effect on consumer response. Further, they discussed that promotion expectations are just as important as price expectations in understanding consumer purchase behaviour. In particular, consumers who have been exposed to frequent price promotions in support of a given brand may come to form promotion expectations and typically will purchase the brand only when it is price promoted. Added to it, in the case of price expectations, consumer response to promotion expectations was asymmetric in that losses loom larger than gains.

Applying Helson's (1964) adaptation-level theory to price perceptions, Sawyer and Dickson (1984) suggest that price promotions may work in the short run because consumers may use the brand's regular price as a reference and then are induced by the lower deal price to purchase the brand. However, frequent temporary price promotions may also lower the brand's expected price and lead consumers to defer purchases of the brand when it is offered at the regular price.

Tversky and Kahneman (1974) have shown that people rely on a limited number of heuristic principles that reduce complex tasks of assessing probabilities and predicting values to simpler judgmental operations. In some cases, people may anchor and adjust their forecasts by starting with a preconceived point and weigh that point heavily in arriving at a judgment. When the frequency of past price promotions is "very low," consumers identify a price promotion offer as an exceptional event and may not modify the brand's expected price. The brand's expected price then will be anchored around the regular price because of insufficient adjustment. In other cases, people may arrive at a judgment on the basis of how similar or representative the event is to a class of events. Therefore, when a brand is price promoted "too often," consumers come to expect a deal with each purchase and hence expect to pay only the discounted price on the basis of its representativeness.

Clearly, given a certain level of price discount, the brand's expected price will be bounded by the regular price and the implied sale price. That line of reasoning

suggests that the relationship between the price promotion frequency and the expected price can be approximated by a sigmoid function.

Whether a price discount will affect the brands expected price depends on how consumers perceive the discount. Uhl and Brown (1971) postulate that the perception of a retail price change depends on the magnitude of the price change. They report results from an experiment indicating that 5% deviations were identified correctly 64% of the time whereas 15% deviations were identified correctly 84% of the time. Della Bitta and Monroe (1980) find that consumer' perceptions of savings from a promotional offer do not differ significantly between 30%, 40%, and 50% discount levels. However, they find significant differences between the 10% and 30 to 50% levels. They also discuss some managers' beliefs that at least a 15% discount is needed to attract consumers to a sale. Apparently, small price changes may not be noticed and even a large price reduction (say, 60 or 70%) may not be assimilated to affect the brand's expected price if it is considered exceptional. Hence, the impact of the depth of price discounts on lowering the brand's expected price is likely to occur when the price discount offered by the brand is relatively large but not so large that it is seen as an exceptional event.

Price discounts ranging from 10 to 40%, a range commonly used in past research on price discounts in the consumer packaged goods categories (Berkowitz and Walton 1980; Curhan and Kopp 1986). Within that range, the findings of Uhl and Brown (1971) and Della Bitta and Monroe (1980) suggest that it is reasonable to expect the relationship between the brand's expected price and the depth of price discounts to be concave.

However, Manohar U. Kalwani and Chi Kin Yim (1992) found that the brands expected price is a linear function of the price promotion frequency and the depth of price discounts at conventional significance levels. Nevertheless, the results provide some directional support for nonlinear relationships between the expected price and the two elements of a price promotion schedule. Given the important implications of such potential nonlinear effects of price promotions on brands' expected prices,



further research testing those nonlinear effects of price promotions should prove fruitful for the design of optimal price promotion policies.

They also contributed that promotion expectations suggest that unfulfilled promotion expectation events among consumers who have come to expect promotions on a brand because of frequent exposure to them will have an adverse impact on the brand. Analogously, unexpected promotion events will enhance the probability of purchasing a brand among consumers who have not been exposed to many price promotions and therefore do not as a rule expect the brand to be available on a promotional deal. they suggest that those results are consistent with the rational expectations view that "any policy rule that is systematically related to economic conditions, for example, one observed with stabilization in mind, will be perfectly anticipated, and therefore have no effect on output or employment" (Maddock and Carter 1982). Policy actions that come as a surprise to people, in contrast, will generally have some real effect. Clearly, the design of optimal price promotion schedules requires consideration of the fact that an increase in the use of price promotions could erode long-term consumer demand by lowering the prices that consumers anticipate paying for the brand.

Price promotional deals may come to be "perfectly anticipated" and have much less impact on consumer response than they do when they come as a surprise to consumers. Apart of it they suggested that Evaluation of the trade off between the short-term sales gain from a price promotion and the adverse effect on future sales because of consumers forming price and promotion expectations requires knowledge of how price promotions affect the formation of consumers' expectations under different market conditions.

Promotions have increased in popularity during the past few decades. The positive short-term impact of price promotions on brand sales is well documented. A price promotion typically reduces the price for a given quantity or increases the quantity available at the same price, thereby enhancing value and creating an economic incentive to purchase. However, if consumers associate promotions with inferior brand quality, then, to the extent that quality is important, a price promotion might not

achieve the extent of sales increase the economic incentive otherwise might have produced.

Price promotions often are used to encourage trial among nonusers of products and services. Thus, it is important to understand the effects of promotions on evaluations made by consumers who do not have prior experience with the promoted brand. Such promotions include those for new brand introductions, as well as those targeted at nonusers of an established brand. If promotions damage brand evaluations, they will undercut the positive economic and psychological Incentives promotions supply and reduce the likelihood of trial. Furthermore, those who purchase for the first time in response to the promotion may be less likely to purchase again when the promotion ends.

But do price promotions lead to unfavourable brand evaluations? And if, so, when? The literature on the effect of promotions on brand evaluations is equivocal. In their review of the sales promotion literature, Blattberg and Neslin (1990) observe that though "for years advertising executives have been warning marketing executives that promotions will destroy their brands image", "it is not clear that promotions do detract from a brand's consumer franchise". It was also concluded that price promotions unfavourably affect brand evaluations (Ogilvy 1963) with academic research, which has found mixed evidence of this effect. Specifically, though it is well documented that the likelihood of purchasing a brand after a deal retraction is lower if the prior purchase was a promotional one (Guadagni and Little 1983; Shoemaker and Shoaf 1977), it is debatable whether this decrease is due to lowered brand evaluations. One of the explanations offered for this finding is that there is an attitude change at the individual level (Dodson, Tybout, and Stemthal 1978; *Doob et al.* 1969; Scott 1976).

Dodson, Tybout, and Stemthal (1978) argue that, if a person buys a brand on deal, he or she is likely to attribute his or her behavior to the deal rather than to having a favorable attitude toward the brand, as compared with customers who bought the brand at full price. Although their results are consistent with an individual-level attitude change due to attributional thinking after a purchase on deal, Dodson, Tybout,

and Stemthal's study does not measure brand evaluations directly and so cannot rule out alternative explanations for the pattern of results (Neslin and Shoemaker 1989).

Scott and colleagues have examined the effect of promotions on evaluations at the individual level after subjects tried a promoted brand. They find that promotions could affect brand evaluations negatively (e.g., subjects preferred the taste of (brand name) when they tasted without a coupon), but that this effect depended on whether subjects thought about the reasons for their choice before choosing (Scott and Yalch 1980), when they thought about their behaviour (Scott and Tybout 1979), and whether they had prior brand knowledge (Tybout and Scott 1983).

Davis, Inman, and McAlister (1992) also examine the difference between pre and post promotion brand evaluations at the individual level but find no evidence that price promotions affect evaluations for frequently purchased branded packaged goods. Across three promoting brands in each of four different product categories, evaluators of promoted brands in the post promotional period are not found to be lower than in the pre promotional period. The studies by Scott and colleagues indicate that promotions have a damaging effect on post trial evaluations, whereas Davis, Inman, and McAlister's study suggests that the impact of promotions on brand evaluations in these packaged goods categories is, on average, nonexistent.

There are several possible explanations for this seeming inconsistency. These relate to (1) the timing of the promotional exposure and brand evaluation relative to trial, (2) whether the consumer has seen promotions for the product in the past, and (3) differences among product categories. The vast majority of research that has assessed the effect of price promotions on brand evaluation has studied the effect after product trial, rather than pre trial (Scott and Tybout 1979; Scott and Yalch 1980; Tybout and Scott 1983). This is an important distinction because the effect of promotions has been found to be lower in the presence of well defined internal knowledge structures (Tybout and Scott 1983). This suggests that the effect of promotions on brand evaluations is likely to be moderated by the extent of consumer expertise in a product category, particularly pre trial, when direct experience with the brand is unavailable as a source of information.

Because promotions are temporary prices, their institution and retraction contain information that consumers may use to make judgments related to the product. A price promotion (or its absence) may serve a simple informative function (for similar conceptualizations, see Inman, Peter, and Raghurir 1997; Raghurir 1998).

### **3.4 The Valence of a Promotion:**

The price-quality literature has found that a relatively lower price generally is interpreted as an indicator of inferior quality and that this effect is magnified when only price information is available to make a judgment (e.g., Etgar and Malhotra 1981; Monroe and Petroschius 1981; Olson 1977; Rao and Monroe 1988). Although the economic aspect of price leads to reduced demand at higher prices, the quality inference leads to enhanced demand at higher prices or requires a trade-off between price and inferred quality (Hagerty 1978; Levin and Johnson 1984). The extent to which consumers use price as an indicator of quality depends on the availability of alternative diagnostic information (Szybillo and Jacoby 1974).

Rao and Monroe (1988) find evidence that, with increased product familiarity, people increasingly used intrinsic (versus extrinsic) product quality cues to make quality judgments. The greater the amount of other information available, the smaller will be the effect of price on perceived quality (Rao and Monroe 1988). Because price promotions reduce price and because lower prices are associated with lower quality, we predict that when other information diagnostic of quality is not available, offering price promotions will lead to inferences of lower quality.

Predictions of a negative effect also are implied by attribution theory. Attribution theory suggests that consumers assign causes for managerial actions (for a review of attribution theory applications to marketing, see Folkes 1988). When consumers are exposed to a promotion, they attribute a reason for it. These attributions may be to the brand or to some external force. A study that examines attribution valence finds that brand-specific attributions for a promotion were valenced negatively, whereas non brand reasons were positive or neutral (Lichtenstein, Burton, and O'Hara 1989).

When subjects were asked why a brand might promote, the brand-specific reasons they gave were associated with perceptions of poorer quality, whereas the non brand reasons were neutral or complimentary to the brand.

Similarly, Lichtenstein and Bearden (1986) examine product, circumstance, and person attributions for a promotion. They find that product attributions were valenced negatively, for example, "because the car is inferior" and "because the car has poor styling." Therefore, if consumers undertake attributional thinking when exposed to a price promotion and if these attributions are to the brand, the attributions are more likely to lead to unfavourable brand evaluations.

### **3.5 When Promotion is Informative**

The preceding leads to the question: What is the likelihood that a given promotion will be attributed to brand related factors rather than external, situational factors? Attribution theorists, starting with Heider (1958), have found that observers attribute another person's behaviour to intrinsic or dispositional qualities rather than to situational factors, even when the behaviour easily could be explainable by the latter. This phenomenon, called the "fundamental attribution error" (or "correspondent inference theory"; Jones and Davis 1965), predicts that consumers attribute promotional behaviour to the disposition of the brand rather than industry characteristics. Thus, because consumers are more likely to attribute promotions to brand-related (versus industry-related) factors and because these factors are typically negative, offering a promotion should affect brand evaluations unfavourably.

Literature suggests that when price promotions serve an informational function, they are likely to have a negative effect on pre trial brand evaluation. The issue of whether price promotions affect brand evaluations therefore might be restated to ask when they serve an informational function. The promotion's information value is context-specific. One context in which a promotion may be perceived as containing information relevant to brand quality is when the act of promoting is a deviation from past behaviour. This indicates there has been a change, and a re evaluation of the brand may be in order.

To illustrate, if a brand that has been promoted frequently in the past is promoted currently, the current promotion conveys little that is new about the brand to consumers, and they are not likely to give the current behaviour much thought. Conversely, if a brand that has never been promoted in the past is promoted, this is informative and more likely to lead to a re evaluation of the brand. This construct, formally termed "consistency" in the attribution literature, has been shown to affect the extent to which people make personality inferences about another person given his or her actions (Einhorn and Hogarth 1986; Hastie 1984; Hilton and Slugoski 1986; Jones and Davis 1965; Kelly 1967, 1972).

Consistent with this logic, in the context of reference prices, Lichtenstein and Bearden (1989) find that consumers' price perceptions were dependent on the consistency of merchants' price claim policies. Consumers should find promotional behaviour more informative of a brand's quality when it is inconsistent with past behaviour than when it is consistent.

The valence (the intrinsic positive or negative characteristic) of a behaviour has been well researched in social psychology and shown to affect the salience (Fiske 1980) and the processing of information (Fiske 1980; Skowronski and Carlston 1989), Taylor (1991) summarizes the differential effects of positive and negative information, arguing that they have asymmetric effects. These effects include, for example, that negative experiences are elaborated upon more than positive experiences, that people search more for negative (versus positive) information when making judgments, and that they weight this information more heavily because they find it more diagnostic than positive information (e.g., Fiske 1980; Hamilton and Zanna 1972, 1974; Herr, Kardes, and Kim 1991; Kanouse and Hanson 1972).

In one of the few studies that assess the effects of valence on attributional thinking, Gidron, Koehler. and Tversky (1993) demonstrate that the number of times a behaviour had to be performed by a person for the trait associated with that behaviour to be ascribed to the person was significantly greater for positive behaviours than for

negative behaviours. In short, it is more difficult to change people's negative attitudes in a positive direction than it is to influence their positive attitudes negatively.

Priya Raghubir and Kim Corfman (1991) found that price promotions affect pre trial brand evaluations and do so unfavourably, but only in some specific conditions. The moderators identified were past promotional history, individual expertise in the category, and perceptions of how common promotions are in an industry, both manipulated within an industry and examined across industries. Specifically, (1) offering a promotion is more likely to lower a brand's evaluation when the brand has not been promoted previously, compared with when it has been frequently promoted; (2) promotions are used as a source of information about the brand to a greater extent when the evaluator is not an expert but has some basic industry knowledge; and (3) promotions are more likely to result in negative evaluations when they are uncommon in the industry.

Given these results, Davis, Inman, and McAlister's (1992) finding that promotions do not affect brand evaluations can be understood better. They study categories with which consumers had considerable prior experience and in which promotions were common. Furthermore, the brands they examine had been promoted in the past (prior to the experiment).

Stores frequently use price promotions to attract customers. It is not uncommon to find stores advertising 50, 60, or even 70 percent discounts on several products. But do consumers believe these advertised discounts? Previous studies suggest that they do not. It has been shown that consumers' perceptions of discounts are typically less than the advertised discounts (see, e.g., Blair and Landon 1981; Mobley, Bearden, and Teel 1988). In other words, consumers discount the price discounts. Concept has been extended by suggesting that the discounting of discounts depends on the discount level, store image, and whether the advertised product is a name brand or a store brand. Since the discounting of discounts is likely to affect consumers' intentions to buy the product, effects of the discount level, store image, and product advertised on consumers' purchase intentions.

A better understanding of consumer responses to price discounts for different stores and brands also helps investigate the existence of promotion thresholds. A threshold is the minimum value of price promotion required to change consumers' purchase intentions. While many managers believe that price reductions of about 15 percent are needed to attract consumers to a sale (Della Bitta and Monroe 1980), very few studies have attempted to validate this managerial intuition. Sunil Gupta and Lee G. Cooper (1999) used the experimental data and a simple econometric methodology to find promotion thresholds. They have also investigated whether the thresholds are different for different stores and brands. These results provide a better understanding of consumers' response to price promotions.

Brand name and store image are important contextual variables affecting consumers' responses to price and promotion. While price and other focal cues are the stimuli to which consumers respond directly, the effects of price-cue information are moderated by other informational cues available to consumers (Olson 1977). These background or contextual cues are all other stimuli in the behavioural situation that provide the context within which the focal cues are operative (Monroe 1977). These include such cues as brand name, store image, and brand familiarity. While many studies have looked at the effect of focal cues and the influence of comparative prices (e.g., Lichtenstein and Bearden 1989), very few have examined the contextual influences of brand name and store image. In a study of comparison prices and coupon and brand effects, Bearden, Lichtenstein, and Teel (1984) suggested the need for research to understand better the brand and store effects at varying discount levels.

### **3.6 Perceived Discount:**

Consumers evaluate and encode information provided to them, and it is their perception of the information and not the information itself that affects their behaviour. Olson and Jacoby (1977) note, "External stimuli do not exert direct effects upon behaviour but only indirect effects. Stimuli must first be perceived and interpreted before they can affect decision processes and overt behaviour" (p. 73). Therefore, valuation or encoding of observed prices or price discounts (which are the external stimuli) is expected to be carried out. Theories such as information



integration define valuation as the psychological processes that extract information from physical stimuli (Anderson 1981).

In pricing literature, encoding refers to the subjective interpretation and assignment of meaning to objective prices and price discounts (Monroe 1984; Olson and Jacoby 1977; Zeithaml 1984). Further, the notion of reference price, which is consistent with adaptation-level theory (Helson 1964) and assimilation-contrast theory (Sherif 1963), suggests that consumers have internal reference prices against which current prices are compared (Kalwani et al. 1990; Lattin and Bucklin 1989; Urbany and Dickson 1991; Winer 1986). The perceived discount (PD) is therefore the expected savings from this internal reference price (Mobley et al. 1988; Monroe 1977; Winer 1986).

As the discount advertised (AD, defined in this study as the percentage off regular price) by retailers' increases, consumers' perceptions of the discounts or savings are also likely to increase. This is clearly the underlying premise for most promotional offerings, and it has been supported by several studies (Berkowitz and Walton 1980; Della Bitta, Monroe, and McGinnis 1981; Mobley et al. 1988). Is the PD less than the AD? This question was addressed by several studies in relation to the issue raised by Federal Trade Commission cases dealing with the fairness of reference price advertising by retailers. Critics of advertised reference price argue that retailers commonly inflate these prices and distort consumer perceptions of the savings offered (Liefeld and Heslop 1985; Urbany, Bearden, and Weilbaker 1988).

Defenders of reference price advertising claim that consumers learn to discount reference price claims, thus protecting themselves from deception (Blair and Landon 1981). Consumers' scepticism about advertised price offers has been demonstrated by many previous studies (Fry and McDougall 1974; Liefeld and Heslop 1985; Sewall and Goldstein 1979). For example, Liefeld and Heslop (1985) state, "Perhaps the sale context is so overused that the intent of these practices is readily transparent to consumers leading them to distrust and greatly discount the claims implied by such advertising practices". Blair and Landon (1981) found that reference price claims were consistently discounted by about 25 percent. Even when reference prices are not explicitly mentioned, consumers seem to discount the perceived savings level.

Mobley et al. (1988) found that 25 percent and 50 percent discount claims elicited 21 percent and 45 percent perceived price reductions, respectively. Following Urbany et al. (1988), It has been suggested that discounting occurs when consumers doubt the credibility of the advertised savings, but instead of completely rejecting it they reduce it to a level deemed more reasonable.

Does the discounting of discounts increase with the increase in the AD level? The answer seems to be yes. Della Bitta et al. (1981) suggest that, if the price reduction is too large, consumers may perceive that the offer is not bona fide. Fry and McDougall (1974) found that higher claimed savings resulted in fewer respondents' believing the reference price.

Urbany et al. (1988) proposed that discounting may be a natural response of consumers, particularly to advertisements making seemingly exaggerated savings claims. Della Bitta and Monroe's (1980) findings suggest that consumers' perceptions of savings do not significantly differ between 30 percent and 50 percent discount levels, hence indirectly suggesting a larger discounting of claimed savings at 50 percent than at 30 percent.

### **3.7 Store Image:**

As indicated above, one of the key reasons for the discounting of discounts is the lack of credibility of advertised savings, particularly when the advertised savings level increases. This line of reasoning can be extended to the credibility of the store offering the discount. Barnes (1975) found that respondents gave higher prestige department stores' advertisements consistently higher mean scores on believability than they gave to advertisements for low-prestige discount stores. Because of the high credibility of high-image stores, the credibility of discounts offered by them will also be higher. In a study, Biswas and Blair (1991) show that reference price claims of discount stores are discounted more than those of non discount stores.

Attribution and information-processing theories also shed some light on this issue. According to attribution theory, information that is "more of the same" is less likely to

be elaborated by consumers (Kelley 1973). Similarly, information-processing literature suggests that consumers are less likely to process and elaborate stimuli that are perceived in contexts they have encountered before. On the basis of these theoretical frameworks, Lichtenstein and Bearden (1989) proposed that the consistency and distinctiveness of pricing practices of a retailer are important contextual variables in the formation of consumers' internal price standards.

Specifically, they suggest that consumers' internal price standards, perceived value of the deal, and source credibility perceptions are likely to be higher when they encounter an advertisement from a store that does not consistently make reference price claims and is highly distinctive in its price promotion behaviour. This implies that, if a store promotes its products very frequently, consumers are likely to make references such as, "this store always offers deals, so its regular price is really not a regular price." A claim of 50 percent off the regular price by a frequently promoting store is therefore likely to be discounted more because its regular price is perceived to be lower than claimed or implied by the store. Since store image and frequency of promotion are usually negatively correlated.

### **3.8 Name Brand versus Store Brand:**

Like store image, brand name is also an important contextual variable that affects consumers' responses to price and price discounts. A well-established brand name conveys high image and high quality perceptions. Many studies on the price-quality relationship have found that brand name is an important moderating variable that helps control or stabilize the quality perceptions of a branded product even when its price is reduced. For example, Della Bitta et al. (1981) manipulated different discount levels for a Texas Instruments calculator and found that the perceived quality was not influenced by the size of the discount. They concluded that this attested to the influence of the brand name (Texas Instruments). Dickson and Sawyer (1984) echo this thought and suggest that, in the presence of a manufacturer's name, consumers are not going to use low price as an indication of low or unacceptable quality.

In other words, instead of using discounted or sale price as a cue to infer the quality of a brand name product, the brand name is used to infer or maintain quality perceptions. Consumers should therefore be more likely to accept the regular price claims of a name brand. As a result, the claimed discount on a name brand will be more believable than that for a store brand. This argument is shared by Bearden et al. (1984) and Blair and Landon (1981), who suggest that consumers will do less discounting of claimed discounts for national or name brands than for private or lesser-known brands.

### **3.9 Change in Purchase Intention:**

So, Relationship between ADs and PDs, Have been discussed presumably; retailers' key objective in offering price promotions is to influence consumers' buying behaviour. Therefore, one of the key issues for retailers and consumer researchers is to find how pro- motions affect consumers' purchase intentions. Discussion about the relationship between AD and PD helps in evaluating this issue since it is generally believed that AD affects PD, which in turn affects consumers' intentions to buy the product. For example, an increase in AD is likely to increase consumers' perception of the discount, which is then likely to increase consumers' intentions to buy (Berkowitz and Walton 1980). Since the discounting of discounts is likely to vary across stores (high vs. low image) and across brands (name brands vs. store brands), the changes in consumers' purchase intentions (CIs) are also likely to follow this pattern.

According to Monroe (1990), consumers' purchase evaluations of a product are based on its perceived value, which is defined as the ratio of a product's perceived quality and its perceived price; that is,  $\text{perceived value} = \text{perceived quality} / \text{perceived price}$ . As indicated earlier, a brand name lends credibility to a product so that a promotional discount on a name brand does not affect its quality perception as much as a discount on a store brand. Therefore, when a store brand is promoted, its perceived price goes down but so does its perceived quality. A similar promotion for a name brand reduces its perceived price, but the decline in its perceived quality is likely to be less than that for the store brand. The net result is that a promotion is likely to induce a greater change in the perceived value and hence a greater CI for a name brand than for a store

brand. Similarly, less discounting of discounts is likely to occur for the high-image stores than for the low-image stores, which leads to higher perceived savings for the high-image stores.

### **3.10 Promotion Thresholds:**

A promotion threshold is the minimum value of price discount required to change consumers' intentions to buy. The concept of a threshold can be related to the psychological process of discrimination in which a consumer would not react to stimuli unless the perceived changes were above a just noticeable difference (Luce and Edwards 1958). The concept of a threshold is widely recognized and acknowledged by both researchers and practitioners. In the context of advertising effectiveness, Eastlack and Rao (1986) showed that a minimum level of advertising is needed before advertising has any significant impact on sales.

The use of the well-known S-shaped response function also testifies to the acceptability of the threshold concept. On the basis of assimilation-contrast theory, Gurumurthy and Little (1989) argue for the existence of a price threshold. They suggest that consumers have latitude of acceptance around their reference price. Therefore, small price differences within this range or latitude are less likely to be noticed than prices above or below this range.

Kalwani and Yim (1992) found evidence in support of a region of relative price insensitivity around the reference price, such that only price changes outside this region had a significant impact on consumer brand choice. Many managers also believe that price reductions of about 15 percent are needed to attract consumers to a sale (Della Bitta and Monroe 1980). Therefore, Sunil Gupta and Lee G. Cooper (1992) proposed that promotion thresholds exist such that consumers do not change their intention to buy the product unless the price reduction is greater than some threshold value.

Further, since the CI due to promotion is likely to be greater for a name brand than that for a store brand, retailers promoting a name brand should be able to change

consumers' purchase intentions by advertising a lower discount than the discount needed for a store brand. Similarly, high-image stores should be able to attract consumers by offering a lower discount than that needed by low-image stores. Sunil Gupta and Lee G. Cooper (1992) expected that the promotion threshold for name brands and high-image stores is lower than that for the store brands and low-image stores.

Sunil Gupta and Lee G. Cooper (1992) provide some interesting results about the effect of ADs on consumers' perceptions of these discounts and consequently on changes in their intentions to buy the product. They find that consumers discount the price discounts; that is, consumers' perceptions of discounts are typically less than the AD. The discounting of discounts increases with the increase in AD. These results are consistent with the results of many previous studies. For example, Fry and McDougall (1974), Liefeld and Heslop (1985), Sewall and Goldstein (1979), and Urbany et al. (1988) also found that consumers are skeptical about the advertised claims of retailers and therefore discount such claims.

Sunil Gupta and Lee G. Cooper (1992) also indicate that the discounting of discounts is higher for store brands than for name brands. Corresponding effects on CIs are also found. For example, in general, offering a discount on a name brand has more impact on consumers' intentions to buy than a similar discount on a store brand. They expected to find similar differences between high- image and low-image stores. However, store effects were not found to be significant.

It is interesting to note that, in a slightly different context, Rao and Monroe (1989) conducted a meta-analysis of studies dealing with the effect of price, brand name, and store name on buyers' perceptions of product quality. They found that, while price and brand effects were strong and significant, the effect of store name on perceived quality of product was generally small and not statistically significant. They also presented an approach to find promotion threshold and saturation points. The existence of a threshold confirms managerial intuition that price reductions of about 15 percent are needed to attract consumers to a sale (Della Bitta and Monroe 1980). The study refines this intuition by suggesting that the threshold levels vary by brand

name. As expected, the threshold for the store brand was found to be significantly higher than that for the name brand.

In other words, to attract consumers a store needs a lower level of discount on a name brand than on a store brand. They have added that promotions reach a saturation level so that their effect on consumers' purchase intentions is minimal beyond this discount level. For the stores and products used, the saturation levels were estimated at 20-30 percent discount level. Thus, it may not be useful to offer discounts below the threshold or above the saturation level.

Each year, companies spend billions of dollars on trade promotion to induce retailers to offer stronger merchandising support (e.g., price reduction, feature, special display) for their brands. Though recent research has documented the success of pricing and promotion in stimulating immediate sales response (e.g., Guadagni and Little 1983; Gupta 1988; Neslin, Henderson, and Quelch 1985), there is concern about the long run implications of such activity. Some industry experts contend that frequent price discounting blurs the distinction between the deal price and the baseline price of a product (Marketing News 1985).

If consumers come to expect deals as the rule rather than the exception, discount prices lose their ability to boost sales. To use price discounting effectively, managers must understand the link between pricing activity and consumer expectations.

One stream of research investigating this link is based on the notion that the consumer establishes a reference price for a brand or product (Monroe 1979; Winer 1986). The reference price reflects the expectations of the consumer, which are shaped by the past pricing activity of the brand. The consumer then evaluates the future price of the brand in relation to this reference point and his or her response is related to the disparity between the two.

Hence, consumer response to an unexpected price decrease (a "pleasant surprise") is greater than the response to an expected price decrease. The reference price framework is consistent with several psychological theories of consumer behaviour and

price perception, including adaptation-level theory (Helson 1964) and assimilation-contrast theory (Sherif 1963). Empirical work by Winer (1986) and Raman and Bass (1986) support the presence of general reference price effects in consumer brand choice behaviour.

Product pricing, however, is not the only activity influencing the expectations of consumers. In recent years, retail promotion by which non price merchandising activity such as special displays and store features has had an increasingly important effect on consumer choice behaviour. For example, Fader and McAlister (1988) suggest that the proliferation of promotional activity in many product categories may be training consumers to buy on promotion. If so, consumer expectations about future promotional activity are just as important to understanding consumer choice behaviour as consumer expectations of price.

James M. Lattin and Randolph E. Bucklin (1989) investigated that the reference effects of price and promotion on consumer choice behaviour. The model is based on the premise that consumers form expectations about the future marketing activity of a brand from their past exposure to such activity. The model reflects not only reference price, but also the consumer's promotional reference point for a brand. They further assumed that consumers use these points of reference in evaluating a brand at each purchase opportunity and that consumer response was influenced by the disparity between their reference points and the actual price and promotional status of the brand. These assumptions enabled them to calibrate a brand choice model and test for the presence of reference effects.

Further, James M. Lattin and Randolph E. Bucklin (1989) proposed and tested a model of consumer response incorporating the reference effects of price and promotion. Their results supported the notion that consumers form expectations based on their exposure to promotional activity and that those expectations influence the patterns of brand choice. By including both price and promotional variables in the model of consumer response, they were able to characterize explicitly the differences between promotional and non promotional price elasticity and to separate these effects from the reference effects of price and promotion. They have provided a



different rationale to explain the carryover effects of promotions on consumer response.

Other researchers have focused on the differences between prior purchase and prior promotional purchase on subsequent brand choice; their rationales require that the promotional brand actually be purchased by the consumer. They have suggested that if they control for prior promotional purchase, there is still a significant association between consumer response and exposure to the brand on promotion.

### **3.11 Consumer price formation: reference prices**

The price's knowledge and memory has been one of most frequent research issues on the consumer behaviour for more than 40 years. Strong efforts have been made to define the concept of reference price, from those who consider it from an external perspective as the price that is announced, to those who regard it as an average of the prices the consumer has previously paid, from an internal perspective. As a result, it seems important to know the "definition" of reference price that is referred to when it comes to debating questions related to it. In his work, Lowengart proposes an intense review of the definitions of the reference price concept that have appeared throughout time in the main research works focused on such a concept (Lowengart, 2002).

Consumers establish their reference prices in relation to their personal buying experience, their observations, and their exposition to the existing information on prices or their subjective interpretation. A total of 26 different definitions of the concept "reference price" have been found (Lowengart, 2002). They can be classified according to:

- The type of information used: external or internal.
- The behavioural character or the judgment of the internal process of formation of reference prices.

The conclusion that can be drawn from the compilation of the different options of conceptualization of the reference price is that such proliferation seems to be a demonstration of the complexity and multidimensional nature of the consumer's price assessment

Likewise several alternatives of estimation of reference prices have been proposed. While some research works defend that the consumer will carry out price estimations from previous information and experiences (Winer, 1986; Lattin and Bucklin, 1989; Kalwani et al., 1990; Mayhew and Winer, 1992; Krishnamurthi et al., 1992; Hardie et al., 1993; Kalyanaram and Little, 1994; Rajendran and Tellis, 1994; Mazumdar and Papatla, 1995, 2000; Kopalle et al., 1996; Kopalle and Winer, 1996; Bell and Bucklin, 1999; Erdem et al., 2001), others maintain that the consumer will use the stimuli present at the buying moment to form his reference price (Hardie et al., 1993; Rajendran and Tellis, 1994; Mazumdar and Papatla, 1995).

Complementarily to the different approaches to the estimation of the reference price can be considered the existence of the internal and external reference price. The internal reference price is an estimate of the price the consumer has in his mind. In its formation, a series of factors or variables that can be classified into two basic types, contextual and temporal factors are involved. The contextual factors are related to the different brands' prices within the category of product at the buying moment. The temporal factors are more linked to the prices on previous occasions or buying experiences of the consumer. The importance of the temporal and contextual component could vary according to the consumers' characteristics.

Thus, for instance, it is possible that for the consumers with an intense preference for the brand the temporal component may be more developed while for the consumers that alternate the acquisition of several brands the contextual component may carry more weight. Likewise, the buying frequency can also have some effect. Thus, the consumers who acquire the category of product more frequently will tend to remember more clearly the prices they paid in the past and as a result the temporal component will be more important (Rajendran and Tellis, 1994).

The external reference price can be considered any notification of the price the consumer receives through some external information channel and which he uses to make comparisons. There is a clear identification of the external reference price with the contextual component that affects the internal reference price; therefore such concepts are closely related. The external reference price could be the price of the brand leader, or the price of the brand that is usually acquired or the selling price recommended by the manufacturer on the product's pack. In any case, it is necessary for these to be credible so that the consumer can incorporate them as an orientation in his assessment (Yadav and Seiders, 1998; Chandrashekar (2004). The main objective of the external reference price is to increase the internal reference price so that the prevailing market selling price becomes more attractive and this makes the consumer make up his mind and buy the product (Compeau et al., 2004).

According to the buyer's and the acquired products' characteristics, the weight of the internal/external reference price will vary. Thus, in Winer's (1986) or Lattin and Bucklin's (1989) research works, in which the incidence of the reference prices on the brand choice is studied, there is no explicit distinction between internal and external reference prices. However, other researchers like Bell and Bucklin (1999) and Mazumdar and Papatla (2000) focus their works on the distinction between both reference prices and their importance in the buying process

Mazumdar et al. (2005) constitutes a reference since they offer a synthesis of the main conclusions drawn in the study of the reference prices:

- (1) Consumer's prior purchase experiences have shown to influence internal reference price (IRP):
  - the strongest determinant of a consumer's IRP is the prior prices he or she observes;
  - prices encountered on recent occasions have a greater effect on IRP than distant ones; and
  - the greater the share of prior promotional purchases, the lower is the consumer's IRP.

(2) The negative effect of deal frequency on consumers' IRP is moderated:

- the dealing pattern (regular vs. random) of the purchased brands;
- the dealing pattern of competing brands; and
- the framing of the deal (percentage vs. cents off).

(3) IRPs for durable products are influenced by such aggregate factors as anticipated economic conditions and household demographics:

- competitive prices and differences in attribute configurations and features across alternatives are more salient than historical prices (for durable products);
- historical prices of durables products are used only to discern a price trend, if it exist; and
- consumers' price expectations are influenced by the technology used in a specific brand compared with other brands in the same durable product category.

(4) How previously encountered prices are integrated to form a reference price?

- assimilation contrast theory and adaptive expectation model seem to depict the process of integration of prior prices and contextual information accurately;
- consumers update their reference prices:
  - weighting their existing reference price and observed prices; and
  - factoring in a price trend observed from prior prices.

(5) Integration of the information at the store environment:

- retailer-provided advertised reference point (ARP) that exceeds the selling price raises the consumer's IRP, even when the ARP is deemed to be exaggerated;

- the use of semantics aimed at competitive comparison is more effective in raising IRP than is the use of temporal comparisons; and
- when faced with a large amount of externally available information, consumers are selective in deciding which pieces of contextually provided information are salient.

(6) Use of memory for prior prices vs. externally available information:

- consumers use both memory and external information, but they assign weights to each that depend on consumer and product characteristics;
- the weight on memory is related:
  - Negatively to the size of consumer's consideration set;
  - Negatively to the frequency of purchases during promotions such features and displays;
  - Positively to the price level of the product category;
  - Negatively to the increase of inter purchase time of the category; and
  - Negatively to the frequency of promotions in the category.

As it can be observed, the synthesis of the studies they have analyses is organized around six big blocks of questions among which there are aspects related to the formation of reference prices giving especial emphasis to internal reference prices and how different environmental elements influence this process.

Nevertheless, apart from the works previously mentioned, Begona Alvarez Alvarez and Rodolfo Vazquez Casielles (2008) pointed out the relevance in the field of study of reference prices of recent works such as those by Fibich et al. (2005), Klapper et al. (2005), and Moon et al. (2006), which show the importance of and interest in the study of reference prices.

### **3.12 Price elasticity:**

Traditionally the price has been considered an informative element, from which the consumer can create an expectation on the quality of the product to acquire (Leavitt, 1954; Tull et al., 1964; McConnell, 1968; Lichtenstein et al., 1988).

Similarly, manufacturers and retailers act on the prices policy to achieve increases in their sales of products. With these reductions in prices, consumers are expected to buy a greater amount of the product or brand. Although these are usual effects, they will depend on the brands submitted to such fluctuations (Hoch and Banerji, 1993; Aggarwal and Cha, 1998).

In the analysis of the effects of price fluctuations, the concept of price elasticity of the demand must be unavoidably mentioned. As Fibich et al. (2005) point out; price elasticity of demand is the percentage change in quantity demanded as a result of a 1 per cent change in price. The individuals' sensitivity to price is conditioned by a series of factors like market share, level of competition, activity in display, brand loyalty or other variables related to the consumer like his income (Lambin, 1991).

Cross price elasticity is adequate to know the extent to which a variance in a brand price alters the demand of the rival brands. Some phenomena or issues of interest in relation to this have been analyzed in the previous literature: asymmetric price effect (Lemon and Winer, 1993; Bronnenberg and Wathie, 1996; Sethuraman et al., 1998), asymmetric share effect (Sethuraman, 1995; Sethuraman and Srinivasan, 1999) and proximity to neighbor effect (Sethuraman et al., 1998).

The results of Sethuraman (1995) indicate that while reductions in the price of manufacturer brands with more market share will influence the store brands' sales, it is less likely that manufacturer brands are affected by reductions in the price of store brands.

The brand choice made by the consumer at the moment of the purchase will be influenced by the price of the different brands of the category of product. In this way,

a reduction in the price of an expensive brand may make this more attractive for the consumer and, therefore, the likelihood of choice of this brand may be increased to the detriment of the rest.

### **3.13 Sales promotion: immediate price reductions**

Price and promotion strategies are closely related. It is very difficult to distinguish price variances which are caused by decisions derived from the prices policy from those produced as a result of the promotion policy. Thus, proposal has been developed by Cummins (1998), according to which sales promotion has to stop being a part of the communication mix to become an autonomous variable.

When the promotion ends, sales are reduced even below the usual levels (without promotion). In the long term, the sales level tends to go back to a position near the initial position. Even Mela et al. (1998) confirm that long-term price promotions make the consumer more sensitive to price and therefore their effectiveness is reduced with the subsequent negative effect on benefits. These results are coherent with those obtained by Mela et al. (1997). Nevertheless, we must clarify that the effects provoked by promotions vary according to multiple factors: the type of incentive, the amount of discount provided or the type of product to which the promotion is applied, among others.

Some years ago both effects were more intense than nowadays because the use of sales promotion was not as widespread as it is now. Nowadays the consumer observes that the category of products is systematically affected by some promotional actions, and as a consequence he will not modify the planning of his purchase (Fader and Lodish, 1990; Lal, 1990). Retail establishments should modify their promotional plans in order not to lose the essential objective: modify favorably the consumer buying behaviour surprising him with a promotion action. This element of surprise is now in danger.

Besides, the presence of promotion actions attractive to consumers may make this change establishment (Tellis, 1997). This effect is related to the change of brand, that

is, consumers who do not usually acquire the brand feel attracted and buy it. The greater increase in sales occurs as a consequence of this reality (Blattberg and Neslin, 1990; Gupta, 1993).

It is necessary to be continuously in touch with the market because on certain occasions the use of promotions could cause unwanted effects. This happens when the consumer perceives that he is paying for unnecessary product highlighting and positioning activities, which will make his behaviour, deviate from the desired one, and thus, he will stop buying the promoted brand (Simonson et al., 1994). On some occasions the consumer may also stop buying a brand or avoid its purchase when it is promoted so as not to have to justify his behaviour before the group (Simonson, 1989). Or the consumer simply decides not to buy the promoted product because he feels that he is being manipulated and he will act punishing the retailers.

The results of works such as those by Suri et al. (2000), detect the need to introduce promotions as explicit elements of the consumer buying behaviour. Begona Alvarez Alvarez and Rodolfo Vazquez Casielles (2008) concluded that the brand choice and buying behaviour developed by consumers is a complex phenomenon. The variables that influence it are numerous and it is necessary to know them to act and develop useful strategies that achieve the objectives aimed at in each case. The influence of prices on this process is very important.

In previous researchers questions related to reference prices have been approached in depth. It seems widely accepted that when consumers buy a product they compare its price with a subjective level. The problem focuses on finding the most adequate way of estimating that level. While some theoretical trends consider that the consumer forms his reference price from the observation of the prices at the establishment, others defend that the consumer remembers the prices paid on previous occasions and he will form his reference price from them. The analysis made allows them to propose the estimations from stimuli or observation as explanatory of the brand choice and decision process developed by the consumer.



Just as it was expected, Begona Alvarez Alvarez and Rodolfo Vazquez Casielles (2008) have confirmed the importance of prices in the purchasing process. The effects derived from their fluctuations depend on the characteristics of the brand. Specifically, they have found differences in the intensity of response to price variances between manufacturer brands and store brands. The latter appeared to be more vulnerable.

Since one of the most widely used techniques of sales promotion are immediate discounts, they have considered it necessary to clarify the effects this may produce. Interesting results have been obtained regarding this issue. Discounts are perceived as attractive and serve to modify consumer preferences, but depending on the category of product.

Thus, for those in which consumers show a strong tendency or preference for the brand, the expected results are not obtained, because they are not relevant in the brand decision process. The application of another promotional tool would be more advisable instead. However, for other categories of product with lower loyalty rates, the application of discounts is the most adequate action, since the use of other promotion actions does not produce any effect.

Sellers use various advertising and promotion tactics to attract customers and increase sales. Previous research has shown that framing of promotion messages and presentation of price information influence consumers' perceptions of prices and their willingness to buy (Das, 1992; Sinha et al., 1999; Sinha and Smith, 2000).

However, Lan Xia and Kent B. Monroe (2008) have distinguished between consumers who have prior goals to buy the product relative to those who do not have such purchase goals. Further, they have added whether consumers' responses to different promotion message framing and price presentations differ when they do or do not have pre-purchase goals. Since the same promotion information may lead to different perceptions as consumers' goals vary (Shavitt et al., 1994), understanding how consumers with different purchase goals react to various promotion messages can help sellers design effective promotion programs.

### **3.14 Consumer goals:**

Many consumer purchasing decisions are goal oriented (Bagozzi, 1997; Bagozzi and Dholakia, 1999). Such goals are important as they direct other stages of the consumers' decision process. Broadly, there are different levels of consumer goal specificity (Lawson, 1997). People with abstract goals tend to search across product categories and consider a wider range of information as relevant. For example, if the goal is to get away from work and have fun (an abstract goal), consumers may consider multiple activities including going to a movie, visiting friends, or taking a vacation. Many options are relevant and attentions are spread across multiple product categories. On the other hand, if the goal is to buy a microwave oven (a concrete goal), only microwave oven information is relevant and tends to get people's attention.

In the market place, consumer goals vary along a continuum ranging from no goal, abstract goal to concrete goal. Goals guide consumers' information gathering and decision processes. Goals are associated with different levels of consumer involvement (Howard and Kerin, 2006) which guide the allocation of attention as well as other cognitive resources for information processing (Peterman, 1997). When consumers have an abstract goal or no goal at all, the involvement with any particular purchase is low and they may spread out their attention and no single piece of information may be regarded as particularly relevant.

However, when they have a specific purchase goal, their involvement is high and they are more focused in their information search and processing and perceive some types of information to be more relevant than others. As Bargh (2002) has indicated, the particular goal in place changes everything – the focus of attention and the evaluation of objects and events, as well as memory for events

Although the importance of consumer goals has been recognized in previous research, it has not been explicitly incorporated in research on consumers' perceptions of price promotions (Mazumdar et al., 2005). Yet, when shopping, consumers may encounter various price promotion messages for products or services for which they do or do not

have specific purchase goals. Mazumdar et al. (2005) in a summary of reference price research called for more research examining shopping occasions (i.e. planned vs unplanned purchases) as an important moderating factor of the effects of various types of reference price information. Lan Xia and Kent B. Monroe (2008) examined how consumers' prior purchase goals interact with promotion characteristics to influence their perceptions of price promotions and their willingness to buy.

### **3.15 Price promotions and pre-purchase goals:**

Goals play a fundamental role in influencing how information in a promotion message will be processed (Shavitt et al., 1994). When individuals have multiple information processing strategies available, they select among them on the basis of goals, motives, and the environmental context (Taylor, 1998). Thus, by definition information regarding a specific product attracts more attention when consumers have a pre-purchase goal for that product category compared to when consumers do not have a pre-purchase goal.

Price promotions usually provide consumers with monetary savings on specific products. If consumers are in a store intentionally searching for these specific products, then it is expected that they would find promotions on such products more attractive compared to those consumers who are in the store but do not have a prior purchase goal for a promoted product. Therefore, the purchase likelihood is higher. In addition to this main effect, consumers may react to different promotion characteristics in different ways given the existence or absence of a pre-purchase goal.

For example, Howard and Kerin (2006) found that consumers with different levels of involvement, operationalized by whether they are in the market for a particular product, have different information processing styles and hence respond to different price promotion cues.

Price promotion characteristics can be grouped into four categories: price presentation, deal characteristics, situation factors, and study effect (Krishna et al., 2002). Price presentation research examines whether consumers' perceptions of a

promotion are influenced by how the promotion is communicated, e.g. framing. Research on deal characteristics studies the influence of factors such as deal percentage, free gift value, and size of the bundle. Situation factors refer to the overall situation of the price promotion including types of stores, brands and whether the promotion information is received at home or in the store.

Finally, study effect addresses measurement issues including factors such as number of variables manipulated and number of participants. Different promotion characteristics influence current as well as future purchase intentions (DeVecchio et al., 2006). Lan Xia and Kent B. Monroe (2008) examined several important issues related to price presentations and deal characteristics of price promotions focusing on promotion framing, format, and promotion depth.

### **3.16 Promotion format: Discount vs. Free Gift:**

In addition to promotion framing, price promotions come in different formats such as discount, coupon, rebate, and purchase with free gift, etc. While most promotion forms involve monetary savings, some promotions are non-monetary. One type of non-monetary promotion often used is offering consumers a free product or gift instead of a price discount.

Compared to price discounts, non-price promotions such as free gifts are likely to be perceived as small gains (Diamond and Johnson, 1990) and maintain product quality perceptions comparing to discounts (Darke and Chung, 2005). Discounts reduce the price that consumers have to pay for the product (i.e. reduced sacrifice). However, in a free gift promotion, while the value of the promotion may be equivalent to a discount, nevertheless, it does not reduce the sacrifice with the focal product purchase and therefore it could be perceived as a gain. If consumers with and without pre-purchase goals respond differently to gains and losses in price promotion perceptions, they may react differently to monetary and non-monetary price promotions

Diamond and Abhijit (1990) found that a price discount was more likely to be chosen even when the discount was less than the retail value of the free product. As discussed

earlier, if consumers who are planning to buy a product are more focused on the monetary sacrifice, they would prefer a price discount (reduced loss) over a free gift promotion (small gain). However, consumers who are not planning to buy may be more attracted by a small gain associated with the free gift.

Lan Xia and Kent B. Monroe (2008) concluded how consumers with or without a specific pre-purchase goal respond differently to a price promotion. Not surprisingly, Lan Xia and Kent B. Monroe (2008) showed a consistent main effect of goal on participants' willingness to buy. This main effect was not mediated by perceived value. This result is consistent with the intuition that consumers are responsive to information that matches their needs. Product or brand level price promotion information is less relevant when consumers do not have a pre-purchase goal. They observed a main effect of promotion format. Participants preferred discount over free gift and higher discount level over lower discount level regardless of the presence of a pre-purchase goal. These main effects were mediated by perceived transaction value. It is also added that the main effect of promotion format probably due to fact that the two promotion framing represented equivalent price savings.

In addition to the main effects, they show how consumers' goals interact with some important characteristics of price promotions to influence their willingness to buy. The effect of the promotion message framing or format is conditional on consumers' prior purchase goals. Consumers planning to purchase a product are more responsive to promotion messages framed as reduction of losses (e.g. "pay less" and a discount) while consumers without a goal are more responsive to messages framed as additional gains (e.g. "save more" and free gift).

Henceforth, consumers with different purchase goals respond differently to the depth of a discount. When consumers do not have a purchase goal, they are less responsive when the discount level is either too small or too large. In contrast, such thresholds are less observable when consumers have a prior purchase goal. Further more, it has been concluded that perceived quality is the underlying mechanism for the effect of promotion framing across purchase goals. Overall, introducing consumer goals as a moderating factor provides some boundary conditions to previous research effects and

adds to knowledge of consumers' perceptions of and responses to various price promotions.

The notion that targeted deals are more efficient than across-the-board sales promotions that provide unnecessary discounts to price-insensitive consumers has prompted a dramatic growth in customized pricing and sales promotions (Acquisti and Varian 2005). However, questions have been raised regarding the efficacy of targeted offers in general (Homburg, Droll, and Totzek 2008) and customized price promotions in particular (Acquisti and Varian 2005; Feinberg, Krishna, and Zhang 2002).

Thus, whether companies should rely on customized promotions remains an open question, highlighting the need for additional research into how consumers respond to targeted discounts as well as contingencies that affect their response to these offerings (Franke, Keinz, and Steger 2009; Simonson 2005).

In this regard, a variable that has received little attention in the literature is the relative exclusivity of targeted price promotions. Because such promotions are offered selectively to some consumers (i.e., deal recipients) but not to others (i.e., deal non recipients), targeted price promotions involve a level of exclusivity that surpasses that associated with more inclusive (i.e., undifferentiated) offers. At their most exclusive, price discounts can be customized to maximize promotional fit with individual consumers (Simonson 2005). At more modest levels of exclusivity, targeted promotions can be selectively offered to entire groups of consumers, as with affinity marketing programs (e.g., Borders' educator savings promotions, which limit discounts to current and retired teachers).

Research by Feinberg, Krishna, and Zhang (2002) provides evidence of a betrayal effect, in which loyal consumers of a brand provide less favourable preferences for that brand when they are excluded from a targeted deal offered only to competitors' customers.

Equity frameworks (Adams 1965; Bolton and Ockenfels 2000; Greenberg 1986) presume that people will engage in interpersonal comparisons that factor not only the outcomes received (non social utility) but also how such outcomes compare with those that others accrue (social utility). When consumers react to marketing offers with the goal of maximizing personal welfare (i.e., they are self-regarding), the receipt of an exclusive deal leads to advantageous inequity that enhances evaluations of the targeted discount among deal recipients (Greenberg 1987; Loewenstein, Thompson, and Bazerman 1989). In contrast, non recipients (whose exclusion from the offer results in disadvantageous inequity) should evaluate this type of promotion less favourably. Thus, as a result of their respective outcomes, recipients and non recipients should differ in their evaluations of a targeted deal.

Equity theory further suggests that evaluations of a targeted offer will depend not only on the relative outcomes associated with the offer (i.e., whether the consumer is a recipient or non recipient) but also on the inputs or costs associated with receipt of the promotion. In the context of targeted deals, these inputs may be represented by the amount of effort customers have invested in their relationship with a marketer (e.g., through their past patronage of the brand) (Feinberg, Krishna, and Zhang 2002; Homburg, Droll, and Totzek 2008); in turn, these investments should influence how consumers respond to a targeted offer (Verhoef 2003). In this regard, the negative reactions of deal non recipients in Feinberg, Krishna, and Zhang (2002) likely arose because of disparities in both exchange components.

In comparison with deal recipients, these consumers experienced disadvantageous inequity in terms of both the relative outcomes associated with the offer (non receipt of the targeted promotion) and the relative inputs (brand-loyal non recipients had more invested in their relationship with the marketer than deal recipients, who were users of a competitive offering). Being placed in a situation of disadvantageous inequity presumably prompted negative emotions (Tabibnia, Satpute, and Lieberman 2008) that undermined the preferences of non recipients for the brand to which they had previously been loyal.

However, Michael J. Barone & Tirthankar Roy (2010), explored whether, when, and how recipients' evaluations of a targeted price promotion may be affected by the offer's exclusivity (i.e., the extent to which an offer is available to consumers in the marketplace). If exclusion from a targeted offer can trigger disadvantageous inequity for non recipients (as Feinberg, Krishna, and Zhang (2002) demonstrate), it stands to reason that receipt of an exclusive discount should engender advantageous equity for deal recipients.

Furthermore, an emerging literature on inequity aversion (Fehr and Gintis 2007; Fehr and Schmidt 1999) suggests that certain people desire outcomes that balance self-regarding (i.e., selfish) interests with other-regarding interests. Thus, some consumers may be reluctant to engage in exchanges that provide them with advantageous inequity, and this disinclination is likely to grow with the level of inequity characterizing the exchange (Scheer, Kumar, and Steenkamp 2003).

Inequity-averse deal recipients should evaluate a deal less favourably as it becomes more exclusive. As a result of their motivation to avoid experiencing the negative affect (e.g., guilt) that may accompany advantageous inequity (Scheer, Kumar, and Steenkamp 2003), inequity-averse recipients should evaluate exclusive deals less favourably than more inclusive offers. While variations in inequity aversion have been examined at more macro levels (e.g., across cultures; see Scheer, Kumar, and Steenkamp 2003), little work has explored individual difference factors that characterize inequity-averse people.

However, such an examination affords a means of identifying theoretically relevant variables that moderate consumers' tendencies toward inequity aversion, information that is useful in developing strategies aimed at more effectively and efficiently delivering targeted deals to the marketplace.



### **3.17 Consumer Response to Deal Exclusivity:**

Self-construal reflects the potential for people to hold varying self-views (Agrawal and Maheswaran 2005; Markus and Kitayama 1991) and involves the degree to which people define themselves in isolation of others (i.e., independent construal) or in relation to a group (i.e., interdependent construal). Although self-construal can be represented as a chronic, relatively stable dimension of a person's personality or as a frame of mind that is situationally primed by contextual factors (Oyserman, Coon, and Kemmelmeier 2002), in either case, it holds implications for the values people strive to achieve in managing their self-concepts. As a result, self-construal can influence judgments (Markus and Oyserman 1989), including those made in response to sales promotions tactics (e.g., loyalty programs; see Kivetz and Simonson 2003).

To this end, people adopting independent, ego-focused construal tend to manage their self-concepts with respect to considerations that centre on their relative uniqueness (Markus and Kitayama 1991; Oyserman, Coon, and Kemmelmeier 2002). This orientation guides information processing in ways that allow people to “maintain, affirm, and bolster the construal of the self as an autonomous entity” (Markus and Kitayama 1991). Because the selectivity of customized promotions is compatible with these values, recipients with independent self-construal should favourably evaluate exclusive deals. Conversely, because consumers with interdependent self-views define themselves in terms of their connectedness with a group (Markus and Kitayama 1991), their decisions should reflect a desire to maintain harmony with others (Markus and Oyserman 1989). As a result of this relational sensitivity, these people may value collectivism to the point of sacrificing personal gains to avoid discord with others (Oyserman, Coon, and Kemmelmeier 2002).

Such people should therefore strive to achieve marketplace exchanges that lead to outcomes that are more equitable (versus inequitable) in nature. In turn, this distaste for inequity should negatively affect the evaluations of a targeted deal provided by recipients with interdependent self-construal.

### **3.18 The Effects of Gender on Consumer Response to Deal Exclusivity:**

Research on self-construal suggests that recipient gender can influence how deal exclusivity affects the evaluations of customized offers. Specifically, Western men are often characterized as possessing independent self-views, while Western women more typically adopt interdependent self-construal (Markus and Kitayama 1991). Men's independent self views should prompt them to value unique (i.e., exclusive) offers that provide them with the basis for self-enhancement to a greater extent than women, whose interdependent self views should result in less favourable evaluations of targeted deals.

Such an outcome is compatible with research on sex roles in judgment (e.g., Meyers-Levy 1988), demonstrating that men tend to employ agentic, self-focused processing goals (that should lead to a stronger preference for exclusive promotional offers), while women have communal processing goals that emphasize interpersonal considerations (and should result in a weaker preference for targeted deals). This expectation is also consistent with research on distributive justice showing that men prefer resource allocations that provide gains to themselves, while women favour equity-based allocations that result in similar gains to all (e.g., Fehr, Naef, and Schmidt 2006; Major and Adams 1983; O'Malley and Greenberg 1983).

As Michael J. Barone & Tirthankar Roy (2010) noted previously, a basic tenet of equity theory involves not only the outcomes that accrue (in this case, receipt of the targeted deal) but also the inputs necessary to obtain these benefits (i.e., relationship equity). In this regard, recipients should react more strongly to the distribution of targeted deals when they perceive that they have higher (rather than lower) relationship equity with a firm. This rationale is borne out by Feinberg, Krishna, and Zhang's (2002) results, which indicate that customers who are loyal to a brand (and thus had achieved high levels of relationship equity) react in a particularly negative manner when they are excluded from a targeted promotion offered by the brand to less meritorious consumers (brand switchers).

In a positive vein, Kivetz, Urminsky, and Zheng (2006) demonstrate that consumers respond more favorably to an offer (e.g., by accelerating purchases) when they have more invested in a marketer's rewards program and therefore have developed greater relationship equity with the firm.

Accordingly, the level of effort a consumer invests in building a relationship with a firm should be positively related to the degree to which recipients are sensitive to deal characteristics (including promotional exclusivity) and, as a result, to the extremity of their response to a targeted offer. Therefore, consumers who have invested heavily in a relationship with a firm through their transactional history should prove sensitive to receiving a targeted offer; in contrast, those with lower levels of relationship equity may be less responsive to a deal's exclusivity, given that they have little vested in the relationship (Adams 1965; Greenberg 1986).

Therefore, the influence of exclusivity on deal evaluations should be most prominent when consumers have built up (through past patronage) relatively high levels of relationship equity. If this is indeed the case, the effects we set forth regarding gender and promotional exclusivity should be limited to conditions of high relationship equity. Thus, we predict that men (women) should prefer exclusive (inclusive) offers, but only when relationship equity is high; when such equity is low, deal exclusivity should factor less into their evaluations.

Targeted promotions and customized pricing are becoming increasingly common in the market. Extant research on these practices (e.g., Feinberg, Krishna, and Zhang 2002) has focused on how non recipients respond to deals provided selectively to other consumers. A complementary but unexplored issue was whether the response of deal recipients depends on perceptions of the offer's exclusivity (i.e., its availability to other consumers). Across three studies, Michael J. Barone & Tirthankar Roy (2010) demonstrated that some consumers (e.g., male participants and those with independent self-view) favour exclusive deals over inclusive ones. The findings further showed that under certain conditions (e.g., when the level of relationship equity consumers have built with a marketer through their past patronage is low), both types of offers were evaluated equally favourably. Perhaps most intriguing were the

results indicating that certain consumers (e.g., female participants and those with interdependent construal) react negatively to receiving a targeted offer that was exclusive, instead preferring discounts that were more widely available.

In addition to identifying these boundary conditions to the positive effects of deal exclusivity, Michael J. Barone & Tirthankar Roy (2010) provided evidence of the process mediating such effects. These results indicate that consumers who prefer more exclusive deals do so because receiving selective offers provides them with a basis for self-enhancement (e.g., by helping them attain values related to autonomy).

In contrast, the negative reactions of participants exhibiting an aversion to exclusive promotions were driven by the superiority of inclusive offers to allow them to self-enhance (e.g., by confirming their desires to maintain harmony with others). Thus, while receipt of an exclusive targeted deal can engender positive feelings for certain segments of consumers, these same offers can trigger less favourable emotions for other consumers that undermine their evaluations of the deal.

Aside from providing an initial demonstration of when and how deal exclusivity influences consumer response to targeted promotions, the current investigation contributes to several other literature streams. In conceptualizing the observed response variability to deal exclusivity, Michael J. Barone & Tirthankar Roy (2010) employed inequity aversion, a concept from economics that has received minimal empirical consideration in the marketing literature. This inattention was somewhat surprising given that inequity aversion focuses on exchanges and outcomes, two concepts fundamental to the study of marketing (Bagozzi 1975). Research on inequity aversion provides a basis for anticipating that some people will exhibit self regarding preferences for options that afford them advantageous inequity, and others will prefer more equitable outcomes that effect a consideration of other-regarding interests.

However, little empirical attention has been given to identifying factors useful in predicting who will be inequity averse and who will not. Michael J. Barone & Tirthankar Roy (2010) provided such evidence by documenting that inequity-averse behaviour is more likely for certain people (e.g., female participants and consumers

with interdependent self-construals) and under certain conditions (e.g., when relationship equity is high). Research along these lines is important theoretically given that it delineates moderating variables associated with conditional boundaries to inequity aversion; pragmatically, these findings have value by pinpointing characteristics that marketers can incorporate into the strategies they use to deliver targeted deals to the marketplace.

Prior research has focused on examining the parameters typically associated with managers' development of promotional calendars, including depth, frequency, and duration (Silva-Risso, Bucklin, and Morrison 1999). By demonstrating that exclusive deals may be evaluated more, equally, or less favourably than inclusive deals, Michael J. Barone & Tirthankar Roy (2010) showed that consumer response to discounts were also sensitive to a "non traditional" deal characteristic, namely, the perceived exclusivity of a price promotion. These results extended the literature on deal restrictions as well. Although extant research has focused on promotional limitations, such as quantity, time, and minimum purchase requirements (Inman, Peter, and Raghurir 1997). Their studies provided insight into an understudied form of deal restriction (exclusivity) that is becoming increasingly important with the growth of targeted offers.

Findings of Michael J. Barone & Tirthankar Roy (2010) similarly hold implications for research on transaction utility theory, indicating that deal recipients can experience self-enhancement through affective consequences associated with being a "smart shopper" (Schindler 1998). The results expand on prior work in this area by demonstrating that receipt of a "good deal" in the form of an exclusive promotion that provides consumers with a financial advantage in the marketplace (relative to consumers who do not receive the discount) does not necessarily engender positive feelings.

Rather, the evidence provided indicates that the relationship between receiving a deal and experiencing positive affect may be more complex than previously believed and contingent on characteristics associated with both the consumer (e.g., self-construal, gender) and the offer (e.g., its exclusivity).

A large body of research on consumer responses to sales promotions (e.g. Bawa and Shoemaker, 1987 and 1989; Blattberg and Neslin, 1990; Leone and Srinivasan, 1996; Huff and Alden, 1998) has accumulated over the past few decades due to the growing importance of this marketing lever.

However, there has been much emphasis on coupons at the expense of other equally important promotional tools, which has created the need for more work to be done in this area. Nelson Oly Ndubisi and Chew Tung Moi (2006) investigated (together with coupon) the effects of other sales promotional tools such as free sample, bonus pack, price discount, and in-store display on product trial among Malaysian consumers, as well as the role of awareness or knowledge of promotional tools.

According to Shimp (2003), sales promotion refers to any incentive used by a manufacturer to induce the trade (wholesalers, retailers, or other channel members) and/or consumers to buy a brand and to encourage the sales force to aggressively sell it. Retailers also use promotional incentives to encourage desired behaviours from consumers. Sales promotion is more short-term oriented and capable of influencing behaviour. Totten and Block (1994) stated that the term sales promotion refers to many kinds of selling incentives and techniques intended to produce immediate or short-term sales effects. Typical sales promotion includes coupons, samples, in-pack premiums, and price-offs, displays, and so on.

Coupons have been used to produce trial (Robinson and Carmack, 1997). According to Cook (2003), coupons are easily understood by the consumer and can be highly useful for trial purchase. Gilbert and Jackaria (2002) concurring to the popularity of coupon reported that coupon is ranked last as the promotional least widely used by consumers and least influence on product trial. Other studies (e.g. Peter and Olson, 1996; Gardener and Trivedi, 1998; Darks, 2000; Fill, 2002) have reported the importance of coupons as a sales tool.

Price promotion does influence new product trial (Brandweek, 1994). According to Ehrenberg et al. (1994) short-term peaks in sales were due primarily to purchases made by occasional users of a brand rather than by new customers. Furthermore, the

study concluded that these occasional users, after taking advantage of the price reduction, would most likely return to their favourite brands in their portfolio rather than buy the promoted brand at full price. However, Shimp (2003) and Fill (2002) among other extant studies have documented a link between price promotion and product trial.

With regard to free sample, another important promotional tool often used by firms, marketing managers recognize the importance of product trial and direct behavioural experience with a product; hence they often mail free samples of products to consumers so that consumers can try the products for themselves, rather than just hear about the products (Kardes, 1999). However, Gilbert and Jackaria (2002) found that a free sample as a promotional offer had no significance on consumers' reported buying behaviour, whereas Pramataris et al. (2001), Fill (2002), and Shimp (2003), have shown otherwise.

Factory bonus pack according to Lee (1963) is used to increase consumer trial of the brand. Larger package size and accompanying advertising of the offer tended to make the promotion noticeable (Gardener and Trivedi, 1998). Since more of the product is included at no extra cost, consumers can be persuaded to buy the product if they feel it represents a deal that produces the greatest value for their money.

According to Gilbert and Jackaria (2002), packs with "buy-one-get-one-free" may not increase brand awareness before trial purchase because the customer will only come across the product once in the store (unlike samples or coupons), however, if the promotion is noticeable it will facilitate brand recognition and brand recall for future purchases. Since an additional amount is given for free, consumers may be persuaded to buy the product if they feel it represents a fair deal that provides value for money. Ong et al. (1997) found that consumers appeared to be slightly sceptical of the bonus pack offer, but somewhat more trusting of the price and quantity claimed.

In other words, believability of the bonus pack offer was weak; however, they would likely buy one bottle and not buy more than one bottle they concluded. The report

speculated that this happens because consumers suspect that manufacturers do raise prices slightly in conjunction with bonus pack offerings.

Product trial involves actually trying or using a product (Kardes, 1999). According to Peter and Olson (1996), trial ability refers to the degree to which a product can be tried on a limited basis or divided into small quantities for an inexpensive trial. Banks (2003) wrote that with sales promotion, brands have a chance to quickly affect consumer choice and behaviour by adding value through an on-pack offer, by achieving incremental display or by encouraging trial via sampling and/ or couponing.

According to Schindler (1998), a price promotion that is designed to evoke attributions of responsibility could be expected to appeal to consumers more than one that does not evoke such attributions, and thus have a greater ability to create product trial among consumers. Wayne (2002) found a link between sales promotion and product trial. Chandon et al. (2000) indicated that sales promotion may be attractive to highly promotion prone consumers for reasons beyond price savings. These highly promotion prone consumers may switch brands to receive special deals that reflect and reinforce their smart shopper self-perception. They concluded that highly promotion prone consumers might try a new product that has promotion. Thomas (1993) argued that the magnitude of planned distribution and promotion expenditures (advertising, sales promotions, sales force, and so on) could affect initial trial of the brand.

Nelson Oly Ndubisi and Chew Tung Moi (2006) concluded that Malaysian consumers respond more to free sample, price discount, in-store display, and bonus pack than coupon. A plausible explanation for the weak influence of coupon was poor knowledge of the tool. This research showed the linkages among various promotional tools and product trial, and thereby helped to better understand how Malaysian consumers respond to various promotional tools offered by marketers. Promotions that emphasize in-store display, free sample, price discount, and bonus pack are likely to be more effective than coupon.



Furthermore, Nelson Oly Ndubisi and Chew Tung Moi ( 2006) added that in-store display proneness has the strongest effect on product trial compared to other sales promotional tools. Attractive in-store display practices are necessary to gain the greatest sales from product trial. Bonus pack, free sample, and price discount significantly affect product trial, albeit the determinant power of bonus pack is the lowest among other promotional tools. Thus, one of the ways to improve the determinant power of bonus pack is to keep a regular pack along side with a bonus pack on the shelves, in order to enable consumers to make comparison. Such opportunity for a comparative observation will help to enhance the credibility of the tool and consumers' confidence in it. With regard to free sample and price discount, sellers should continue to apply them because of their robust influences on product trial.

Coupon has no significant effect on product trial. This is largely due to consumers' poor knowledge of the tool. Another probable reason for the poor influence of coupon may be because coupons provide less shopping convenience benefits, require more skill and effort than buying a product on sale added by Nelson Oly Ndubisi and Chew Tung Moi ( 2006).

### **3.19 Sales promotion and brand equity:**

Sales promotion in FMCG industries is used to create a temporary stimulus on the sales of a brand by making consumers a special offer. This promotional stimulus is part of the marketing offer made up of factors such as product features and benefits, price, availability, customer service and quality. Consumers are expected to act on this offer, which, in turn, has an immediate effect on the sales rate of an organization. Market-based assets, such as Brand Equity, are part of the benefits accruing to the organization as a result of trading. These benefits include the development over time of positive brand awareness, image, secured distribution, brand franchise, brand equity and also positive relationships with customers and intermediaries.

Techniques falling under the banner of sales promotion are both diverse and complex, and offer management the opportunity to address a range of different marketing

situations. Its purpose may be: to stimulate quick response in the market place, as a retaliatory device, or to reward and retain existing customers (Totten et al. 1994). When techniques are considered individually, several of them could be, and indeed are, used as retaliators. Price-related promotions (such as “cents-off” the regular price, and refund offers for coupon redemption) form a large share of consumer promotional activity. They also represent the greatest concern in terms of potential damage to brand equity because price plays an important role in the evaluation of a brand. It is, therefore, relevant in terms of potential equity outcomes to consider the impact of using price-based promotions (Keller 1993; Mela et al. 1997).

Indeed, much of the sales promotion literature is specifically related to price-based promotions (Gabor and Granger 1972; Sawyer and Dickson 1984; Lattin and Bucklin 1989; Kalwani and Yim 1992; Wakefield and Inman 1993; Ehrenberg et al. 1994), and any identified negative effects seem most strongly related to promotions with a focus on price.

Consumers develop their value and perceptions of a brand on the strength of the marketing offer. If they see the offer as highly favourable, then it may be that the franchise, or relationship, between the consumer and the brand is strengthened. It could, therefore, be suggested that overusing sales promotion potentially causes the brand to be devalued in the mind of the consumer, and the subsequent franchise or equity enjoyed by the brand may likewise be damaged. It is well documented that building and maintaining positive brand equity with one’s consumer base is considered to be critical for long-term survival (Farquhar 1990; Keller 1993; Blackston 2000; Ambler 2001).

**Given the potential link between promotion and brand equity, of major concern is to know FMCG consumer’s perception towards consumer based brand equity sources.**

Srivastava (1991) addressed the issue of the significance of Brand Equity. One of a number of directions identified for future research related to management concern that

they were expected to potentially exploit existing Brand Equity to maximize short-term sales.

Despite a wealth of literature on the separate issues of Brand Equity and sales promotion, to date there has only been a relatively small amount that specifically addresses the relationship between the two; further it has been supported that they don't really know a lot yet. There has however been some debate about whether sustained promotional activity is likely to reduce a brand's franchise and the literature has mixed findings (Blattberg et al. 1995; Roberts 1995).

It is widely accepted that, in the short term, sales promotion can have a positive effect on trading by creating a short-term sales spike (Dodson et al. 1978; Neslin and Shoemaker 1989). However, there is some conflict in past research findings regarding the long-term impact of sales promotion on how consumers value a brand. The two schools of thought can best be summarized as:

- (1) A belief that the overuse of certain forms of sales promotion, in particular price-based promotions, may result in a brand being devalued in the consumer's mind, for instance when a temporary promotion is removed (Dodson et al. 1978; Lattin and Bucklin 1989; Simonsen et al. 1994; Chandon 1995), or,
- (2) That there is no negative impact likely to result from the increasing use of sales promotion because (for instance) the consumer quickly forgets the offer (Neslin and Shoemaker 1989; Davis et al. 1992; Ehrenberg et al. 1994).

Sales promotion was confirmed as a commonly used element of marketing communication with firms marketing food products. A diverse range of techniques could be employed with little constraint other than cost. Sales promotion was predominantly seen as a tool to attract customers, improve brand awareness and stimulate sales, and the most commonly used techniques included product sampling, point of purchase displays, free product and cut prices.

Managers claim to use sales promotion as a tool to enhance brand and market position, but in reality, use it more to pursue competitive goals such as retaliation. Furthermore, the protection of brand equity is seen as important and price-based promotions, whilst considered most likely to damage brand equity, were not used excessively. There is little evidence that attention is given to measuring the effect of sales promotion on brand equity (Sandra Luxton. 2001)

East's comments (1995) serve to highlight the significance of appropriate consideration to promotional strategy and its measurement. "In aggregate, the effects of sales promotions seem to cancel out; leaving a cost that has to be added to the price of goods. Would not we all be better off (except the promotion agencies) if this activity was stopped? " . . . "To a company, the value of a sales promotion depends upon the extra sales generated and the cost of running the promotion. Whether or not sales promotions lose their prominence depends in part upon their evidence about their effects on profit. . . ."

There are many complex issues to address when endeavouring to understand how and why promotional strategy has developed to this point in time. Managers in the FMCG industry seem at least to be aware of the issues at hand, and with the benefit of seeing how others in the industry think and behave, there is renewed hope that sales promotion can become a more valuable tool, used appropriately to meet the specific needs of the firm and its markets (Sandra Luxton 2001)

Research has traditionally posited that sales promotions erode brand equity. However, in current management practices, one may observe that companies design promotional programmes to differentiate and modernize their brand image and build brand awareness. This divergence between practice in the industry and the general academic view must inevitably lead to a rethink about the goals assigned to sales promotions. Consequently, the important question is whether sales promotions can contribute to building brand equity.

Adopting a consumer-based brand knowledge perspective of brand equity, it has been added that monetary and non-monetary promotions are useful to create brand equity

because of their positive effect on brand knowledge structures. The findings by Mariola Palazón-Vidal & Elena Delgado-Ballester (2005) suggested that non-monetary promotions are more appropriate as a brand-building activity and that the product type exerts a moderator effect on the relationship between sales promotions and brand knowledge.

Building a strong brand in the market is the current goal of many organizations. This is due to the fact that brand equity has been found to lead to higher prices (Firth 1993), greater market share (Park & Srinivasan 1994), more responsive advertising and promotions (Keller 1998), earlier market penetration (Robertson 1993) and more efficient product line extensions (Keller & Aaker 1992).

As a result it is not hard to understand why brand equity has emerged as a central concept in marketing over the past 20 years. Much has been learned during the past two decades about brand valuation (e.g. Aaker 1991; Keller 1998; Yoo & Donthu 2001), the leverage of brand equity through brand extensions (Broniarczyk & Alba 1994), the impact of such extensions on the core brand (Loken & John 1993), and its many benefits for a firm and its customers (Keller 1998). However, researchers have not devoted the same considerable attention to addressing how brand equity may be built through marketing activities.

Specifically, building brand equity appears to be worthy of investigation in the context of sales promotions. Indeed, the most recent practices in the industry diverge from the general academic view that sales promotions destroy brand equity (Mela *et al.* 1997; Yoo *et al.* 2000).

Thus, it would appear that, apart from the traditional goals assigned to sales promotions (e.g. increase trial, price-discriminate), they are also used in the industry as a brand-building activity. This brings to the question of whether this communication tool is appropriate for building brand equity. Consequently, Mariola Palazón-Vidal & Elena Delgado-Ballester (2005) addressed the following research questions. They have used brand equity from the perspective of the consumer in the research.

- As another tool of the promotion mix, do sales promotions have potential to build brand equity?
- What type of sales promotion, monetary or non-monetary, is more effective for building brand equity?
- How does the type of product affect the effectiveness of monetary and non-monetary promotions for building brand equity?

Keller (1993, 1998) defines brand equity as ‘the differential effect that brand knowledge has on consumer response to the marketing of that brand’. Based on this definition, and from a cognitive psychology perspective, brand equity is based on brand knowledge that consists of a variety of associations linked to a brand node in memory. These associations represent the personal meaning about a brand – that is, all descriptive and evaluative brands related information (Keller 1993). It is essential to stress that the differential response that makes up brand equity comes from various characteristics of brand associations in the consumer’s memory. In particular, based on Keller’s research, Krishnan (1996) empirically demonstrated that association characteristics such as number of associations, valence and uniqueness underlie consumer-based brand equity. Hence, brands with high equity are characterized by having a greater number of associations, and more net positive and unique associations.

### **3.20 The effect of sales promotions on brand knowledge:**

Earlier, it was posited that brand knowledge is the source of brand equity. Therefore any potential encounter with a brand may affect brand equity as far as it changes the mental representation of the brand and the kinds of information that can appear in the consumer’s memory. Some of these potential encounters may be marketing-initiated, for example through marketing communications tools.

Among these tools, sales promotions, and in particular price promotions, are believed to erode brand equity because they enhance only short-term performance by

encouraging sales and brand-switching (Dobson *et al.* 1978; Gupta 1988) and may convey a low-quality brand image (Yoo *et al.* 2000).

These findings are in line with the approach that has inspired most of the research conducted on sales promotions. That approach is characterized by the fact that (i) most studies have examined the convenience of using promotions instead of examining their benefits to the consumer, (ii) sales promotions are seen as a sale tool having ‘effective effects’ only on behaviours’, and (iii) it is assumed that monetary savings are the only benefit that motivates consumers to respond to sales promotions.

However, Mariola Palazón-Vidal & Elena Delgado-Ballester (2005) adopted a consumer-based approach (Chandon & Laurent 1999; Chandon *et al.* 2000) to consider that sales promotions, as a part of marketing communications, also have an effect at a cognitive and emotional level, and provide the consumer with multiple hedonic and utilitarian benefits.

Taking into account that brand knowledge includes different kinds of information linked to a brand such as attributes, benefits, thoughts, feelings, experiences, and so on (Keller 1998), it follows that brand knowledge may be potentially affected and changed by the sales promotions experience. First, this experience can change the number of associations evoked about a brand because sales promotions have brand association-enhancing power.

Second, they can also generate favourable associations if the associations are desirable to consumers and successfully conveyed by the supporting promotional campaign for the brand. In other words, the value that sales promotions have for brands is related to the value or benefits they have for consumers (Chandon *et al.* 2000).

Finally, sales promotions can develop meaningful points of difference to the brand (unique associations) if the promotional campaign is not attributed to another brand or is not seen as a generic promotion of the product category, Mariola Palazón-Vidal & Elena Delgado-Ballester (2005).

### **3.21 The differential effect of monetary and non-monetary promotions on brand knowledge:**

The most recent literature on sales promotions (Chandon & Laurent 1999; Chandon *et al.* 2000) stresses the need to distinguish between two types, monetary and non-monetary, because there are important differences between them. On the one hand, monetary promotions (e.g. free product, coupons) are primarily related to utilitarian benefits, which have an instrumental, functional and cognitive nature. They help consumers to increase the acquisition utility of their purchase and enhance the efficiency of their shopping experience. On the other hand, non-monetary promotions (e.g. contests, sweepstakes, free gifts, loyalty programmes) are related to hedonic benefits with a non-instrumental, experiential and affective nature, because they are intrinsically rewarding and related to experiential emotions, pleasure and self-esteem.

Because of the different nature of the benefits provided by each type of promotion, Mariola Palazón-Vidal & Elena Delgado-Ballester (2005) proposed that:

1. Monetary promotions generate less brand knowledge (i.e. number of associations) than non-monetary ones. In the language of Behavioural Learning Theory (Rothschild & Gaidis 1981), price promotions are more likely to become primary reinforcement and, according to Self-Perception Theory, they are attributed by the consumers as the reason they buy the brand. This implies that, compared to nonmonetary promotions, the monetary ones are less effective in building brand knowledge because of their greater emphasis on only one brand association (i.e. price). In other words, they lead consumers to think primarily about deals, shopping convenience and not about the brand (Yoo *et al.* 2000). On the other hand, non-monetary promotions can evoke more associations related to the brand personality, enjoyable experience, feelings and emotions. As Nunes and Park (2003) remark, the use of discounts places a greater emphasis on price, leading people to assess the incentive relative to what they pay, while non-monetary promotions such as premiums should take the focus away from price.



2. Sales promotions also differ in the favourability of the brand knowledge generated. This is demonstrated by the fact that monetary incentives can be viewed as generating functional associations because of the utilitarian benefits they provide, while non-monetary incentives create more abstract associations due to their hedonic benefits.

Considering, then, that associations deriving from different types of promotion differ in their level of abstraction and qualitative nature, it is worth stating that, according to Keller (1998), this affects the favourability and uniqueness of associations because abstract associations tend to be more evaluative and durable in memory. From studies focused on utilitarian and hedonic aspects of buying and consumption a similar reasoning is found. For example, when the purchase decision has hedonic motivations, the fun, enjoyment or sensory stimulation arising influence brand perceptions (Hirschman & Holbrook 1982) and make the consumer's attitude more favourable (Childers *et al.* 2001). Therefore, when promotion experience is linked to these kinds of feelings, thoughts and benefits, more favourable and positive brand associations are linked to the brand. In fact, as suggested by Pham *et al.* (2001), the number and the valence of spontaneous thoughts are better predicted by feeling responses.

3. Finally, because hedonic benefits are more subjective and personal than utilitarian ones, they are more difficult to imitate and more capable of providing unique associations (Babin *et al.* 1994). Thus, when promotion experience provides these types of benefit, which is the case with nonmonetary promotions (Chandon *et al.* 2000), more unique brand associations are linked to the brand.

Mariola Palazón-Vidal & Elena Delgado-Ballester (2005) postulated that monetary and nonmonetary promotions were not equally effective in building brand equity because of the different effect they had on brand knowledge. One way of inferring the utilitarian or hedonic nature of the purchase decision is to examine the type of product

being considered (Mao & Oliver 1993), therefore they focused on the moderator effect that product type exerts on the effectiveness of each type of promotion.

An argument in support of this moderator effect is provided by Chandon *et al.* (2000), who assert that sales promotions effectiveness may depend on the congruence or the match between promotions' benefits and those of the promoted product (the Benefit Congruency Framework). The principle of congruency is based on the idea that promotions that are compatible with the promoted product, because they offer similar benefits, would have a greater impact on the demand of this product than promotions that offer incongruent benefits.

Therefore, it is expected that utilitarian products will be more influenced by monetary promotions and, conversely, hedonic products are more compatible with non-monetary ones. As stated by Holbrook and Hirschman (1982), all products may carry a symbolic or hedonic meaning. In some cases this meaning is more salient and rich than in others, although it seems that non-monetary promotions may not only benefit hedonic products according to the congruency principle. They can also be of benefit to utilitarian products as this type of sales promotion enhances a symbolic meaning and offers consumers opportunities to experience fun, amusement and diversion, or social experiences not provided by the product itself.

In this sense, Arnold and Reynolds (2003) affirm that the seeking of such experiences is often far more significant than the mere acquisition of the utilitarian benefits provided by the product. The successful use of non-monetary promotions for utilitarian products, exemplified these ideas.

Furthermore, because emotional desires dominate utilitarian motives in the choice of products (Hirschman & Holbrook, 1982; Dhar & Wertenbroch 2000), it is expected that monetary promotions do not add value meaning to the hedonic products. On the contrary, non-monetary promotions can imbue a utilitarian product with a subjective meaning that supplements the more functional and utilitarian image it possesses.

### **3.22 Sales Promotions & Brand image:**

Sales promotion (SP) is an inevitable tool in the marketing communications mix, especially in the FMCG markets, due to pressures such as retailers' growing demands and increasing competition. This has proven to be an issue for many companies, especially those with a premium brand positioning and those concerned about the impact that SP might have on the long-term image of the company. Despite the fact that literature is replete with research on SP, it seems to be vastly generalized and mostly focused on price reductions. Danijela Mandić (2009) analyzed and discussed the issue of the long-term impact that SP has on companies, especially on premium brands in the FMCG markets and concluded that, when used properly and strategically, SP may have a positive long-term impact on brands.

Fill, C (2005) noted that in the changing and competitive marketing communication industry it is of vital importance for companies finally to recognize that consumers perceive a brand through all the communication touch-points. This, in turn, implies the importance of a strategic focus in any marketing communications plan, as brand building is a long-term exercise. A brand entails a construct "of, first, an identity that managers wish to portray and secondly, images construed by audiences of the identities they perceive". Furthermore, as brand image refers to the consumers' perception of the brand and all the associations that are formed, companies need to acknowledge the potential of all communication tools available and view them through the long-term impact they might have on the brand image of the company, as a means of creating a positive attitude towards the company.

Brand image and associations consist of several dimensions, most often classified into attributes (descriptive features that characterize a brand), benefits (personal value consumers attach to the attributes) and attitudes (general evaluations of the brand), (Ibid., pp. 411). It has been found that each of these factors might have a different effect on consumer responses but, even though the concepts of brand image and associations are in themselves clearly complex (incorporating the above mentioned factors), for the purpose of this paper we will refer to brand image in its broader sense whether the perception of the company is positive or negative in relation to other

brands and whether consumers perceive less value of the brand when encountering them through different communication tools.

The need to analyze the long-term impact of promotional tools is more important than ever, as marketing communications are becoming increasingly expensive and companies are constantly seeking ways to achieve their objectives in a more cost-effective manner. In the mass communication days, before the extreme competition of the kind we are seeing today or such strong growth of new technologies, a company could charge premium prices and complement its positioning merely with advertising. Today, particularly when it comes to the FMCG markets, the use of sales promotion (SP) has become inevitable and almost every company needs to use SP as either an offensive or a defensive tool.

### **3.23 Sales Promotion and Branding:**

It is added that Sales promotions consist of a variety of marketing tools, which are designed to stimulate purchase by providing an incentive. There are numerous reasons why SP has increased in importance: fierce competition; (Ehrenberg et al. 1994), high cost and decline of the more traditional marketing communications mediums; and short term perspectives with an emphasis on immediate results.

These factors have been highlighted especially in the FMCG markets, characterized usually by low involvement products; a lack of clear differentiation between brands and extreme competitiveness. Premium brands and market leaders have not been exempted from these issues, as it has been found that followers and market leaders experience the same level of competition (Kitchen, J.P. 1989), although their brand characteristics may vary greatly.

It has been added that perhaps the most pressuring issue for manufacturers is an increasing power of retailers as well as a growing strength of retailers' own label brands. Retailers now take up a considerable part of the market share and can dictate the trading terms with manufacturers. Retailers are themselves in a pressure situation where they face competition from other retailers and constantly need to find new

ways of providing more value to consumers. Consumers are becoming more demanding in their choice of retailers and may be influenced by factors such as price, location, layout, product range and sales personnel.

Because of a growing retailer power, more demanding customers and a general increase in competition, companies may be forced to use SP in order to retain not only market share in general, but concretely, to receive more shelf space and better terms for their products. They now need to match the promotions of their competitors and show the flexibility needed in the retail environment. This is especially important for established brands, as new entrants tend to use sales promotions as a means of encouraging brand switching and breaking existing loyalty.

In the light of these pressures, it becomes clear that companies need to address the issue of SP in their campaigns. However, the often assumed image of SP – that its long-term effects can be devastating for a brand – is a concern for a company, especially one with a premium brand positioning. This form of positioning relies on core values, such as sophistication and high quality, which in turn justify the premium price. They usually incorporate both the intrinsic and extrinsic attributes. Gabor, A. and C. W. J. Granger (1972) have added that a strong brand image is particularly important for these brands, as a “perceived risk is reduced and high quality is conveyed through trust and experience formed through an association with the brand”.

Consequently, this paper explores and analyzes the issue of the long-term impact that SP has on companies’ image and should contribute to a better understanding of the relationship between the SP strategic potential and brand image, with a particular focus on premium brands in the FMCG markets.

### **3.24. Short- and long term effects of Sales Promotion**

The evidence of short-term effects seems to be well documented in the literature. It is suggested that SP can build brand awareness and motivate trial, provide more specific evaluation methods, as they are more immediate and operate in a specific time frame, (Pham, M.T., Cohen, J.B., Pracejus, J.W. & Hughes, G.D., 2001), influence sales, (Roberts, John H., 1995) expand the target market (Robertson, T.S., 1993) and achieve competitive advantage.( Rothschild, M.L. & Gaidis, W.C.,1981). According to their purpose, SPs are often successful in inducing action, as they encourage consumers to act on a promotion while it is still available. Also, the strength of SP lies in its flexibility to quickly respond to competitor attacks contributed by Sandra Luxton (2001).

Despite these benefits, the question remains whether these effects are made at the expense of the long term impact that SP may have on companies. Sawyer, A. and P. Dickson (1984) and Simonson, I., and Z. Carmon (1994) proved that there is evidence pointing towards SP having a negative effect on brands, especially in relation to advertising. It is argued that SP does not have any brand-building impact and could lead to diminishing effects for the brand, particularly well-established ones.

In fact, the Ehrenberg et al. study showed that price-related promotions do not have any effect on brand performance, either in terms of sales or repeat purchase. According to the authors, this is due to the fact that promotions influence existing customers in the first place, with some rare exceptions shared by Simonson, I., and Z. Carmon (1994). This is a concern for companies, whose main objective it is to target new customers or gain more long-term profit, as new customers might only take advantage of the promotion and then go back to their preferred brand. Also, even when the existing customers are targeted and the response is satisfying, these consumers' price sensitivity may be enhanced, causing difficulties in the long run.

A premium brand needs to justify its high price and its image, and often does so through advertising, but are these media expenditures a waste of money if the image is damaged through other communication channels? Perhaps the easiest advice would

be to simply avoid SP due to this potential risk, but as we have seen in the FMCG markets, SP cannot easily be avoided and market characteristics force companies to address this issue. In addition, it is arguably the FMCG markets that face the largest issue of competition and lack of differentiation among products; and these are all the problems that successful branding might ease.

Also, as previously implied, retailers and the characteristics of the retail environment play an important role in customers' perception of a brand. Not surprisingly, it has been found that the context in which a brand is seen influences the brand image perception, and might damage the brand in some cases. For instance, display features in a store may trigger different responses in consumers. If a company has invested marketing communications efforts in establishing a high-quality brand image and the product is then placed in an undesirable context (for instance, in proximity to the brands associated with lesser quality), consumers may perceive less brand value incorporated by Wakefield, K. L. and Jeffrey J. Inman (1993). Thus, it may be the retailers who have ultimate control over the brand image.

The SP activities of companies could have an additional impact on the whole market category as well. It is found that a successful price promotion did expand the category while the promotion lasted, while having a negative long-term effect of decreased sales in the period *after* the promotion. A reason for this might lie in the fact that people tend to buy greater quantities during the promotion, and this leads to weaker demand once the promotion has finished. Another, equally distressing theory about the promotional impact on the category is that since SP tends to encourage brand-switching, the category does not benefit as a whole as people switch to even lower prices.

### **3.25 Price sensitivity**

One of the most discussed negative effects concerns consumer price sensitivity. Findings show that SP tends to increase consumer price sensitivity, due to the formation of reference prices. When consumers buy a product, they start to compare

the price to the reference price, as opposed to the actual one. If a consumer is used to buying two coffees for the price of one, when the SP is removed, the actual price of the coffee suddenly seems more expensive. However, this implies that, in order for consumers to become too price sensitive, promotions would have to happen frequently, since consumers do not tend to always remember prices.

Naturally, different consumers react differently to prices and SP, depending on their own predispositions and preferences. For instance, customers loyal to a specific brand will perhaps not switch even when presented with the most tempting offer while others actively search for the best offer available. Promotions can, however, lead to a greater number of people becoming offer-seekers as, Mela et al., (1997) found that, looking long-term, price promotions do make both loyal and non-loyal customers more sensitive to price.

### **3.26 Sales promotion in relation to advertising**

When the effects of SP are analyzed, both in the academia and among practitioners, SP is often compared to advertising. This is probably due to the fact that their impacts are viewed as opposite – SP with known short-term effects while advertising is generally considered a brand-building tool. Usually, this relationship symbolizes the direction a company chooses to take - whether it chooses to allocate most of the budget on SP or advertising implies whether its focus lies on short-term or long-term objectives, as incorrect as this assumption might be. Companies may strategically use both methods or have them complement each other, as many companies do successfully. Also, these kinds of discussions and assumptions imply that the advertising effect on brand-building is indisputable.

On the one hand, studies have shown that a premium brand is more likely to be supported by advertising while a product with a lower price is likely to allocate more funds into SP. It has also been found that, in relation to SP, advertising makes consumers less price sensitive, which is a problem often associated with SP. There is, of course, evidence pointing towards the positive impact that advertising has on brand image.



On the other hand, long-term effects of advertising are as difficult to measure as those of SP. Considering the relationship between advertising and brand image, one would need to rethink the assumption that advertising has such a powerful influence on the company's image. Advertising is not necessarily powerful enough to differentiate brands or affect brand image even though it has been found to contribute to other important aspects, such as providing publicity and protecting an already established brand. Therefore, a number of organizations are moving their funds away from advertising to sales promotion, public relations and direct marketing.

Either way, many managers do face a dilemma of how to allocate their budgets; therefore, this is an issue that needs to be addressed. If we were to accept the assumption that advertising is a better tool for establishing and reinforcing a positive brand image than SP, the answer for companies would be simple – they would just use advertising and ignore the rest of the promotional mix. However, all the already mentioned pressures the FMCG market is facing today force companies not to question whether they should use SP, but how to use it successfully.

### **3.27 Conclusion:**

Inherently, sales promotion techniques are intended to have a direct impact on buying behaviour, which implies their short-term focus. However, every aspect of communication by a company has some sort of effect on the company's brand image, and therefore any company which has recognized the importance of thinking strategically knows that it must look beyond short-term effects. In terms of brand building, SP has traditionally been associated with a negative long term impact due to its predominantly price-orientated nature. But, as we have seen, this view has neglected the full scope of SP methods.

A strategic marketing communications plan will clearly state the elements, such as the objectives, target audience and positioning, which will all help the company decide upon the sales promotion method that is most suitable for the company and the particular campaign. A company positioning itself as cost-effective may, for instance,

wish to incorporate the value-increasing methods, while a premium brand might wish to look toward more brand-building techniques. The enhanced planning in the SP process, along with a closer analysis of all the SP methods, will lead a company with a premium brand positioning to the more creative forms, which do not rely on product discounts.

When integrating SP into the marketing communications plan, messages will reinforce each other, regardless of the medium or tool used. Tools can be interrelated, for instance, by using advertising to promote promotions or, as we have seen, by using competition to enhance public relations. By understanding the impact each individual promotional tool has, managers will achieve synergy between the methods more easily. Therefore, the challenge for managers should not be whether to allocate funds to advertising or SP, but rather to find a way to connect these methods.

What we have also seen emerge from the literature is a doubt whether or not either advertising or SP can influence brand image – a question that surely needs more empirical answers. But, at least for now, we do know that companies can rarely exclude SP from their campaigns due to the factors such as increased competition and pressure from retailers. They can, however, choose to use the SP elements which have proven to be more effective in enhancing the company's image, and should certainly do so if they have a premium brand positioning. Incorporating SP strategically, given all its characteristics, may turn out to be quite challenging for a company, but: "Today's and tomorrow's marketing managers really do not have the choice whether or not to use sales promotion but only whether to use these valuable tools poorly or skilfully".

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## Chapter 4



## **Research Methodology**

### 4.0 Introduction

### 4.1 Statement of the Problem

### 4.2 Research objectives

### 4.3 Research Hypothesis

### 4.4 Motivation for the study

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## Chapter 4

### Research Methodology

#### 4.0 Introduction:

It is well documented that building and maintaining positive brand equity with one's consumer base is considered to be critical for long-term survival (Farquhar 1990; Keller 1993; Blackstone 2000; Ambler 2001).

Fill C. (2005) noted that in the changing and competitive marketing communication industry it is of vital importance for companies finally to recognize that consumers perceive a brand through all the communication touch-points. This, in turn, implies the importance of a strategic focus in any marketing communications plan, as brand building is a long-term exercise. A brand entails a construct "of, first, an identity that managers wish to portray and secondly, images construed by audiences of the identities they perceive".

Given the potential link between promotion and brand equity, of major concern is to know FMCG consumer's perception towards consumer based brand equity sources.

Despite a wealth of literature on the separate issues of Brand Equity and sales promotion, to date there has only been a relatively small amount that specifically addresses the relationship between the two; further support for Schultz's suggestion that they don't really know a lot yet. There has however been some debate about whether sustained promotional activity is likely to reduce a brand's franchise and the literature has mixed findings (Blattberg et al. 1995; Roberts 1995).

Specifically, building brand equity appears to be worthy of investigation in the context of sales promotions. Indeed, the most recent practices in the industry diverge from the general academic view that sales promotions destroy brand equity (Mela *et al.* 1997; Yoo *et al.* 2000).

The most recent literature on sales promotions (Chandon & Laurent 1999) stresses the need to distinguish between two types, monetary and non-monetary, because there are important differences between them. On the one hand, monetary promotions (e.g. free product, coupons) are primarily related to utilitarian benefits, which have an instrumental, functional and cognitive nature. They help consumers to increase the acquisition utility of their purchase and enhance the efficiency of their shopping experience. On the other hand, non-monetary promotions (e.g. contests, sweepstakes, free gifts, loyalty programmes) are related to hedonic benefits with a non-instrumental, experiential and affective nature, because they are intrinsically rewarding and related to experiential emotions, pleasure and self-esteem.

So, studying the consumer preference between cash discount (Price Promotion) and free gift (Non Price promotion) has been identified as one of the objectives of this study.

These factors have been highlighted especially in the FMCG markets, characterized usually by low involvement products; a lack of clear differentiation between brands and extreme competitiveness. Premium brands and market leaders have not been exempted from these issues, as it has been found that followers and market leaders experience the same level of competition although their brand characteristics may vary greatly.

#### **4.1 Statement of the Problem:**

Professional management is essence for improving overall efficiency and effectiveness in every business, which makes business organization sustainable in changing political and economic environment. Since couple of years more and number of corporate sector companies have experienced the grave problems of deciding promotional strategy and specifically sales promotion schemes to win the customers. Also, on the other hand, sales promotion initiatives taken without keeping the long term objectives of the business may dilutes the brand equity. It is felt that management practices of designing and implementing promotional decisions should be well researched and rational to justify the investment on promotions. It has been

felt that large gap remain what has been accomplished and what is remaining. Therefore the statement of the problem under the study that has been selected is **“Effects of Sales Promotions on Consumer Preferences & Brand Equity Perception” (With specific reference to FMCG Products)**

#### **4.2 Research Objectives:**

1. To study the consumer attitude towards the cash discount as a sales promotion scheme.
2. To compare the consumer preference between cash discount and free gift
3. To study the deal proneness of consumer considering demographic variables.
4. To study the consumer perception towards brand equity sources considering sales promotion schemes.
5. To understand the media preference to know the sales promotion schemes information.
6. To study consumer preference of sales promotion schemes across demographic variables.
7. To study the sales promotion schemes preference according to various attributes.

#### **4.3 Research Hypothesis:**

H<sub>01</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and demographic variables.

H<sub>02</sub>: There is no significant difference between consumer preference of cash discount and free gift as sales promotion schemes.

H<sub>03</sub>: There is no significant difference between Consumer deal proneness and demographic variables.

H<sub>04</sub>: There is no significant difference between Brand equity perception and demographic variables considering sales promotion schemes.

H<sub>05</sub>: There is no media preference to know the sales promotion schemes information.

Ho<sub>6</sub>: There is no significant difference between demographic variables and sales promotion schemes preference.

#### **4.4 Motivation for the study:**

With the growth of population and spending power of the consumer has created the opportunities and challenges for the FMCG companies in the world market. Simultaneously, competition to win consumers has been increased drastically. World is becoming the small village and Many MNC's have entered in India and other countries. Marketing paradigm is shifting from consumer satisfaction to consumer delight. Enticing consumers with the various sales promotion schemes is the order of the day. If this tool is not used strategically, company has to follow the trend of promotions to maintain the market share. Considering almost universal applications of designing the sales promotion schemes and understanding its impact on business has motivated to take the steps in the direction to study this crucial aspect of promotion management.

#### **4.5 Research Design:**

A research design is a framework or blue print for conducting the research project. It details the procedures necessary for obtaining the information need to structure and/or solve research problems. The research design lays the foundation for conducting the project. The descriptive research design is being used to study the formulated problem. Primary and secondary data has been collected according to the need of the study. For collecting primary data, structured questionnaire has been prepared considering objectives of the study. More over important factors has been considered to measure the interested variable of the study.

#### **4.6 Sampling Element:**

Each and every individual who purchases the FMCG products in the state of Gujarat has been identified as a sampling element.

#### **4.7 Sampling Design & Data Collection:**

- The universe of the study consists of all FMCG consumers in the state of Gujarat.
- Sample Size: 500
- Sampling Method: Convenient Sampling Method
- Data Type: Primary Data & Secondary Data
- Data Collection Tool: Structured Questionnaire
- Scope of Research : Gujarat state

#### **4.8 Conjoint Techniques:**

Conjoint Analysis is an ever-growing family of techniques that can be broken into three main branches:

- Ratings-based conjoint
- Choice-based conjoint
- Hybrid techniques

The first step in doing Conjoint right is to pick the most appropriate method for your particular objectives and circumstances. In principle, the right technique will be the one that most closely mimics your marketplace dynamics. In practice, that will most often be Choice-based Conjoint. Choice-based Conjoint offers respondents a series of choice sets, generally two to five alternative products. Respondents can pick any of the available alternatives or even elect not to buy, if none of the alternatives in that

choice set are sufficiently attractive. This format closely mimics buying environments in markets with competition.

Ratings-based Conjoint involves nominally rating individual product alternatives or pair wise rating two product alternatives simultaneously. No-buy options are not easily accommodated in Ratings-based Conjoint. Ratings-based Conjoint may be more appropriate for non-competitive markets, such as oligopolies, monopolies or emerging categories.

Hybrid techniques, approaches which combine self-explicated scaling with either Ratings-based Conjoint or Choice-based Conjoint, are generally most appropriate when a large number of attributes must be included.

**So, understanding the problem of the research and market mimics, it has been decided to select choice based conjoint analysis.**

Both Ratings-based Conjoint and Choice-based Conjoint can be conducted as full-profile or partial-profile studies. Full-profile tasks involve one level from every attribute in the study. If there are six attributes in your full-profile study, then each product alternative will have six attribute levels which define it.

Partial-profile tasks involve a subset of the total set of attributes. If there are six attributes in your partial-profile study, then each product alternative may have two or three attribute levels which define it.

Full-profile studies should ideally contain no more than six attributes. The critical issue is to define products that are simple enough to be understood by respondents. If your attributes are extremely complex and unfamiliar, perhaps six is too many. If your attributes are extremely simple and familiar, perhaps you may be able to include more than six.

Partial-profile designs can include up to 50 or more attributes. Partial-profile designs, a relatively recent development in Conjoint Analysis, typically compete with hybrid designs when a large number of attributes needs to be included.

Full-profile designs are generally preferred over partial profile designs if the number of attributes is sufficiently small because full-profile designs can accommodate interaction terms more easily, require fewer samples and are more familiar to most market researchers. Full-profile designs are generally preferred over hybrid designs if the number of attributes is sufficiently small because hybrid designs usually cannot accommodate interaction terms and are considered to employ a less natural question format. **So full profile approach to conjoint has been implemented.**

A potential concern for any approach that accommodates a large number of attributes is Attribute additivity (AA). Seldom mentioned in the literature, AA is the phenomenon where a large number of less important attributes may overwhelm one or two extremely important ones, due to sheer numbers. For example, a feature rich product may have more total utility than a low-priced one simply because all of the small utility weights of the various product features, when summed, exceed the utility weight of the price attribute. There is currently no consensual “right” way to address this problem. One possible approach is to, on an individual level, limit the number of attributes included in model simulations to the six most important. This is consistent with the rationale for limiting the number of attributes in a conjoint task to six.

#### **4.8.1 Attributes and Levels:**

Once market research objectives are clearly defined, attributes and levels must be specified in such a way that the subsequent analysis can address the objectives. If one objective is to understand the impact of the introduction of a new brand into your category, for example, it is essential that brand be an attribute in your study and the new brand be a level within the brand attribute.

There are two attribute-related issues that you must be aware of which continue to be problematic:

- Number of levels effect (NOL)
- Attribute range (AR)



NOL is the phenomenon that attributes importance is affected by the number of levels specified in the design. For example, if Price has two levels, Rs 6 and Rs 12, in one study and Price has four levels, Rs 6, Rs 8, Rs 10, and Rs 12, in another study *that is exactly the same as the first* (except for the Price levels), Price in the second study will be more important than it was in the first. There is Other than attempting to keep the number of levels of all attributes as close to one another as is practical, there is no known solution to this problem. ACA, however, does suffer substantially less from NOL than other techniques.

Similarly, attribute range also affects attribute importance. If, in the second study above, Price only had two levels, but those levels were Rs 6 and Rs 24, Price would again show more importance in the second study. The best we can do here is to define the minimum range of attribute levels necessary to realistically address the research objectives for each attribute in the study.

#### **4.8.2 Experimental Design, Conjoint Tasks and Sample Size:**

Conjoint studies, with the notable exception of ACA, require an experimental design to determine the appropriate set of product combinations for testing. Commercial software today offers powerful flexibility in study design and can be surprisingly easy to use. Often, design software provides diagnostic information with which the researcher can evaluate the design. However, to insure your design is viable, designs of any complexity should be tested with synthetic (or other) data prior to field.

One design issue to note involves attribute specification. Numerical attributes, such as price, can be defined as part-worth attributes or vector attributes. If defined as a part-worth attribute, each level within price would receive its own utility weight. If defined as a vector attribute, one utility weight would be calculated for the attribute as a whole and would then be multiplied by each level value to determine the utility weight by level. Part-worth attributes require more information to estimate but vector attributes assume linearity. The best approach is to define all attributes as part-worth attributes so that you are free to model non-linear relationships. Price, for example, is often non-linear.

There are three types of conjoint questions that should be included in any conjoint exercise:

- Warm-up tasks
- conjoint tasks
- Holdout tasks

Studies have shown that respondents take a while to “get it.” Their responses do not stabilize until they’ve done a few tasks. Two to four warm-up tasks should be included at the beginning of the conjoint exercise, to educate and familiarize the respondent to the exercise at hand. As an added safeguard, task order should be randomized whenever possible.

Holdout tasks are tasks that will not be included in the utility estimation process. They are “held out” of the analysis and used to validate the model after utility weights have been estimated. Even if your study is a Ratings-based conjoint study, your holdout tasks should be choice-based to make model validation more meaningful.

As a practical matter, it is often the case that researchers have very specific scenarios that they are interested in testing. These scenarios can be specified in the holdout tasks, with no compromise to the study design. The holdout tasks can then serve the dual purposes of validating the model and providing “hard” data that some clients will find more credible than model simulations.

Another practical suggestion is that holdout tasks should be designed so that responses are not flat across alternatives. This will make validating the model easier.

For Choice-based Conjoint, studies have shown that as many as 20 or more tasks can be given to respondents without degradation of data quality. Of course, that number is largely dependent on the number of attributes displayed, the familiarity of respondents with the category and terms, the level of involvement the respondent has with the category, the length of the questionnaire prior to the Conjoint section and numerous other factors.

If you want a conjoint study that works, be brief. This is a surprisingly difficult standard to meet. Most choice-based studies that I have designed have worked well with as few as 10 tasks. Add in two warm-up tasks and two holdout tasks and you're already up to 14, at a minimum.

**Therefore, in this research 13 tasks have been included to maintain the data quality.**

Sample size is another important question with no clear answer. There is little literature on the impact of sample size on Conjoint model error but current evidence suggests that models can be reliably estimated with samples as low as 75, regardless of type of Conjoint technique employed. However, keep in mind that 75 is the minimum size of any analytic cell you might want to examine. Thus, if you had a market with five regions and you wished to model each region separately, you would need a sample of 375 (5 times 75). If you wanted to model males and females separately within each region, your minimum sample size would be twice that, or 750.

Although numerous technical pitfalls exist, the most common error in commercial conjoint studies is probably asking respondents questions they are unable to answer accurately. If respondents do not understand terms and concepts, if they are confused by product descriptions that are too complex and lengthy or if they become disinterested or tired due to questionnaire length, your analysis will suffer.

As with all survey questions, it's critical to ask questions your respondents are capable of answering. To make them capable, be sure that all attributes and levels are clearly defined prior to the conjoint exercise. Often, a glossary of terms reviewed by the respondent prior to the conjoint exercise and available as a reference throughout the exercise can be very helpful. Visually organize the conjoint tasks to assist the respondent in quickly understanding the choices before him or her. Do not include so many attributes in each product alternative that only a chess champion could keep them straight. Always pretest conjoint studies to confirm that the study you have so carefully designed is implement able. Statistical diagnostics will not tell you if humans can or cannot comprehend the questions you are about to put before them.

There is an essential size problem that all designers of Conjoint studies face. If the model to be estimated is fairly complex, it will require a great deal of information to estimate it, particularly at the disaggregate (individual) level. Experienced researchers know that this information can be extracted in a variety of ways:

- Number of Conjoint tasks
- Complexity of Conjoint tasks
- Sample size
- Experimental design
- Utility estimation technique

Commercially available design software is extremely powerful. But to use its power completely, you must also employ either a computer or the Web. Computer assisted interviews and Web-based interviews both allow each respondent to receive a set of conjoint tasks unique to him or her, a feature generally impractical with paper and pencil studies. This facility greatly enhances the design efficiency of your study. Thus, using individualized interviews may allow you to use fewer tasks, have smaller sample size or perhaps simply complete a difficult and ambitious study successfully.

**Considering the same fact mentioned above sample size of 500 respondents has been selected.**

#### **4.8.3 Utility Estimation and Models:**

Once data have been collected, the researcher is faced with another set of options and choices. Historically, Ratings-based conjoint utilities have been estimated using OLS regression at the individual respondent level and Choice-based conjoint utilities have been estimated using logit regression at the aggregate (total sample) level. Hierarchical Bayes (HB) modeling, introduced by Allenby, Arora and Ginter in 1995, has changed all that.

In general, disaggregate models are preferred over aggregate models. There are several reasons for this but the primary reason is that aggregate models don't capture

heterogeneity. As a simple illustration, consider a sample given choices between Coke and Pepsi. If half the sample loves Coke and hates Pepsi and the other half loves Pepsi and hates Coke, an aggregate model will show the total sample indifferent to brand. The Coke lovers and the Pepsi lovers cancel each other out. In a disaggregate model, brand will appear to be extremely important since all the Coke lovers will exhibit large utilities for Coke and all the Pepsi lovers will exhibit large utilities for Pepsi.

Choice-based Conjoint has historically been preferred over Ratings-based Conjoint because of its more natural question format, its ability to handle interaction terms and its ability to easily model the no-buy option. Its biggest drawback has been its inability to generate disaggregates models. HB allows for individual utilities estimation of Choice-based conjoint data.

It has also been shown that HB estimates are superior to OLS regression estimates for Ratings-based Conjoint.

The primary drawback to HB estimation is that it is computationally intensive. Computation time can run from 30 minutes to 30 hours, depending on the sample size, the number of parameters being estimated and the power of the computer running the calculations. However, in general, the advantages of HB far outweigh this one disadvantage.

Extremely current research (February 2002 JMR) suggests that finite mixture models can estimate individual level choice utilities as well as HB. However, HB models have proven to be extremely robust and recently introduced user-friendly HB software eliminates any excuse for not using this breakthrough technique.

In some software packages, constraints can be included in the estimation routine which force certain attribute levels to always be the same or higher than other levels. For example, you may feel strongly that consumers truly would prefer to buy your product at a lower price. Therefore, you know a priori that the utility of the lowest price level should be greater than or equal to every higher price level. You can constrain your utility estimates to conform to this relationship. It has been shown that

constraints tend to improve holdout prediction accuracy. The goal of most research is to learn how the market works, not to confirm what we already know about how the market works. Sometimes surprises are not bad research, they are insight. It should be preferred to let the data run free as often as possible. If necessary, the data can always be rerun using constraints.

Once utilities have been estimated, preferably at the individual level using HB, simulations can be run. There are five methods of simulation:

- First Choice
- Share of Preference
- Share of Preference with Correction
- Purchase Probability
- Randomized First Choice (RFC)

First Choice models are only available for disaggregate data and follow the maximum utility rule. That is, if three products are included in a scenario, each individual is assumed to pick the product for which his or her total utility is highest. This approach often suffers from volatility, i.e., minor changes in product configurations can result in unrealistically large shifts in preference shares.

Share of Preference models can be run against either aggregate or disaggregate data. These models distribute preference proportional to each product's total utility. If, for example, in an aggregate model of two products, product A had total utility of 10 and product B had total utility of 20, product A would have 33% share of preference ( $10/(10+20)$ ) and product B would have 67% share of preference ( $20/(10+20)$ ).

Share of Preference models are less volatile than First Choice models but are subject to the IIA bias (Irrelevance of Independent Alternatives), a.k.a., red bus-blue bus problem. If two products are very similar, such as a red bus and a blue bus in a transportation alternatives study, their net share is over-estimated. In effect, there is double counting. Share of Preference models with correction are an attempt to adjust for the IIA bias. First Choice models are not subject to IIA bias.

The best approach is a recently developed technique named Randomized First Choice. Initially conceived by Bryan Orme (1998) and further developed by Orme, Huber and Miller (1999), RFC exhibits much less IIA bias than Share of Preference models and is less volatile than First Choice models. It has the additional advantage of offering several ways to tune the model for increased accuracy.

Regardless of the simulation technique selected, the model should be validated and tuned. Market scenarios should be defined and simulated that replicate the choices available in each holdout task. The model predictions of choices should be compared to the actual choices made by respondents.

For disaggregate models, there are two measures of model accuracy, hit rates and Mean Absolute Error (MAE). For aggregate models, only MAE is appropriate.

Hit rates are calculated by comparing the choice predicted for an individual respondent by the model (using the maximum utility rule) to the actual choice made by the respondent. When the model correctly predicts the respondent's choice, it is counted as a hit. The total number of hits divided by total sample size equals the hit rate.

MAE is defined to be the sum of the differences between predicted share of preference and actual share of preference for all products in a holdout task divided by the number of products in the holdout task.

Initial hit rates and MAE (prior to model tuning) can be compared to hit rates and MAE from a random model to give the researcher a feel for how successfully the model has been able to capture and model respondent choices.

For example, if there are four choices available in a holdout task, say three products and no-buy, a random model could be expected to have a hit rate of 25% (1/4). If your initial model has a hit rate of 65%, you can feel somewhat assured that your model performs better than random.

Similarly, MAEs for a random model can be calculated by subtracting 25% from the percent of respondents who picked each of the four options, summing the absolute

value of the differences and dividing by four. If your random model has an MAE of 12 and your model has an MAE of 4, again you can feel somewhat reassured.

It is for this analysis that you want to construct holdout tasks that are likely to have unequal preference across alternatives. In general, hit rates above 60% and MAEs below 5 points will reflect a reasonably good fitting model.

Once initial hit rate and MAE calculations have been examined, model tuning may be appropriate. Share of Preference and RFC models can be tuned to maximize hit rates and minimize MAE. Tuning the model will increase its accuracy and, therefore, managerial utility.

In some rare and fortuitous instances, actual market data can be used to tune the model, rather than holdout tasks.

### **Summary:**

Although, there are so many exceptions that the word “right” loses much of its meaning, it has been suggested the following method is the “right” method of doing Conjoint Analysis as follows:

- Choice-based Conjoint
- Including warm-up and holdout tasks
- Hierarchical Bayes for utility estimation
- RFC for market simulations
- Tuning the final simulator

The introduction in 1971 by Green and Rao of Conjoint Analysis marked a significant step in the evolution of marketing research from art to science.” Most of the researchers are agree with a heritage in both psychometrics and econometrics, no marketing research technique comes close to offering either the managerial power or the economic efficiency of Conjoint Analysis.

But Conjoint Analysis is an ever increasingly complex family of techniques. Many difficult decisions await the conscientious researcher, often with no clear cut, “right”



answer. Conjoint Analysis has pushed marketing research much closer to a science. But it is still an art.

The diligent researcher will be aware of both the possible pitfalls and the available antidotes. The reward far outweighs the effort.

#### **4.9 Limitations of the study:**

1. The samples size is not too much to generalize the result of the study.
2. This study is limited to Gujarat state only and result may differ if conducted in other regions. Also it measures the consumer preference in FMCG product categories. If the same study is repeated for other industry consumer preference of sales promotion schemes may vary
3. The study is limited to sales promotion schemes of FMCG product categories only and result may vary if study is conducted for non FMCG product categories.
4. There are other variables besides sales promotion schemes which affect brand equity perception and consumer preferences.
5. Evaluation is based on the primary data generated through questionnaire and accuracy of the findings entirely depends on the accuracy of such data and unbiased responses of the customers.

#### **4.10 Outline of the Thesis:**

### **Chapter 1**

#### **Introduction of FMCG Industry:**

This chapter deals with the introduction to FMCG industry and overview. It also comprises of classification of FMCG product categories and types of sales promotion schemes. It also includes the recent trends in the FMCG industry worldwide. Potential of FMCG has been explained. It also comprises of factors explanation which have provided Indian FMCG sector the competitive edge over others. Beside that future of the industry has been mentioned considering opportunities and challenges. Furthermore pre and post liberalization scenario of FMCG industry has been compared

### **Chapter 2**

#### **Conceptual Framework of Sales Promotion Schemes, Consumer preference & Brand Equity perception:**

It includes definitions and elements of various sales promotion schemes. It also includes the definitions of Brand, Evolution of Branding, Issues related to measurement of Brand Equity and Sources of Brand equity. This chapter highlights the recent sales promotion schemes of FMCG industry considering various product categories.

### **Chapter 3**

#### **Literature Review:**

The focused and detailed review of literature is done as a part of this study concerning sales promotion schemes and consumer preferences. Also, conjoint analysis as one of the tool of measuring the consumer preference with Issues, applications and methods has been reviewed and highlighted the appropriateness of applying the conjoint analysis to the research study. Issues of measuring brand equity review has been studied in details and documented.

## **Chapter 4**

### **Research Design:**

The detailed overview of the research methodology used for this study is mentioned here in this chapter. This chapter covers, defining the problem, objectives of the study, defining the hypothesis of the study, explaining the sample design, describing the tools used for data collection, explaining the methods of data analysis and citing the limitations of the study. This chapter also comprises of rationale for using conjoint analysis as a tool to measure consumer preference.

## **Chapter 5**

### **Analysis & Interpretation of Data:**

In detail, it explains the various methods used for analyzing the collected data. It also discussed the various statistical tools used for the analysis. Parametric & Non parametric tests of hypothesis testing, measure of central tendency and conjoint analysis were used to analyze the data. SPSS was used for analysis purpose of the collected data. More specifically, T test, ANOVA as a parametric and non parametric test, Mann Whitney U test, two samples Kolmogorov – Smirnov test, Chi square test and Median Test are used to test the various hypothesis. To test the normality one sample K test is used. Levene's statistics' has been used to test the assumption of equal variance of interested variables. Furthermore, conjoint analysis has been used for measuring consumer preference of sales promotion schemes.

## **Chapter 6**

### **Summary of Findings, Suggestions and Conclusions:**

It highlights the conclusions based on the analysis carried out. It also provides the findings from the study and contribution. Based on the findings and conclusion chapter also includes suggestions for managerial implications.

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## **Chapter 5**

### **Analysis and Interpretation of Data**

5.1 Reliability analysis of the scale

5.2 Hypothesis Testing: Attitude towards cash discount \*Demographic variables

5.3 Hypothesis Testing: Consumer preference of cash discount \* Free Gift

5.4 Hypothesis Testing: Consumer Deal Proneness \* Demographic variables

5.5 Hypothesis Testing: Brand Equity Perception \* Demographic variables

5.6 Hypothesis Testing: Media Preference \* Demographic variables

5.7 Types of Sales Promotion Schemes \* demographic variables – Frequency Analysis

5.8 Hypothesis Testing: Sales promotion Schemes preference \* Demographic variables

5.9 Conjoint Analysis

## Chapter 5

### Analysis & Interpretation

Questionnaire is one of the tools of the primary data collection. In this research consumer responses have collected through questionnaire. It is imperative to test the reliability of the tool used for the data collection. So, reliability analysis of the scale is done as mentioned below. Moreover Item wise statistics and inter item correlations presented.

#### 5.1 Reliability Analysis of Scale:

##### 5.1.1 Case Processing Summary of Scale Reliability Analysis:

**Case Processing Summary**

		N	%
Cases	Valid	460	100.0
	Excluded <sup>a</sup>	0	.0
	Total	460	100.0

a. List wise deletion based on all variables in the procedure.

##### 5.1.2 Reliability statistics:

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.874	.870	22

### 5.1.3 Scale Items Statistics:

Item Statistics			
	Mean	Std. Deviation	N
Brand loyalty 1	3.55	1.961	460
Brand loyalty 2	3.21	1.839	460
Brand loyalty 3	3.13	1.700	460
Brand loyalty 4	4.38	1.734	460
Brand Awareness 1	3.12	1.658	460
Brand Awareness 2	3.92	1.853	460
Brand Awareness 3	2.69	1.684	460
Brand Awareness 4	3.72	1.999	460
Brand Awareness 5	3.85	1.987	460
Brand Awareness 6	2.59	1.395	460
Perceived Quality 1	4.38	1.615	460
Perceived Quality 2	4.17	1.742	460
Perceived Quality 3	3.81	1.654	460
Perceived Quality 4	3.62	1.741	460
Perceived Quality 5	3.62	1.700	460
Perceived Quality 6	3.49	1.981	460
Perceived Quality 7	3.16	1.710	460
Perceived Quality 8	4.08	1.686	460
Brand Association 1	3.25	1.641	460
Brand Association 2	4.18	1.829	460
Brand Association 3	4.45	1.675	460
Brand Association 4	3.48	1.709	460



### 5.1.4 Inter Item correlations Matrix:

Inter Item Correlations Matrix

	Brand Loyalty 1	Brand Loyalty 2	Brand Loyalty 3	Brand Loyalty 4	Brand Awareness 1	Brand Awareness 2	Brand Awareness 3	Brand Awareness 4	Brand Awareness 5	Brand Awareness 6	Perceived Quality 1	Perceived Quality 2	Perceived Quality 3	Perceived Quality 4	Perceived Quality 5	Perceived Quality 6	Perceived Quality 7	Perceived Quality 8	Brand Association 1	Brand Association 2	Brand Association 3	Brand Association 4
Brand Loyalty 1	1.000	.569	.366	.171	.268	.279	.353	.436	.434	-.007	.232	.181	.192	.315	.071	.479	.431	.246	.079	.139	.200	.150
Brand Loyalty 2		1.000	.601	.215	.258	.427	.419	.472	.459	.022	.292	.257	.323	.304	.218	.514	.601	.283	.148	.207	.303	.292
Brand Loyalty 3			1.000	.203	.292	.381	.416	.385	.467	.049	.319	.238	.342	.326	.228	.461	.594	.315	.155	.185	.288	.301
Brand Loyalty 4				1.000	.123	.280	.143	.330	.311	.014	.225	.237	.182	.199	.152	.172	.175	.153	-.011	.136	.200	.109
Brand Awareness 1					1.000	.137	.385	.227	.287	.229	.194	.085	.196	.140	.114	.152	.300	.051	.150	.025	.123	.085

Brand Awareness 2						1.000	.233	.358	.398	-.017	.197	.308	.204	.239	.230	.314	.332	.247	.135	.083	.173	.237
Brand Awareness 3							1.000	.389	.410	.082	.253	.130	.222	.205	.186	.368	.518	.193	.119	.118	.112	.189
Brand Awareness 4								1.000	.509	.022	.281	.371	.203	.324	.248	.468	.420	.289	.086	.285	.168	.244
Brand Awareness 5									1.000	-.049	.275	.254	.273	.315	.177	.447	.439	.333	.110	.177	.174	.249
Brand Awareness 6										1.000	.007	-.014	.059	.027	-.007	-.035	.033	.093	.120	.029	-.016	.000
Perceived Quality 1											1.000	.199	.308	.256	.215	.242	.418	.332	.111	.125	.336	.306

[illegible]

Per ceiv ed Qua lity 8																		1.0 00	.07 7	.10 5	.26 9	.25 1
Bra nd Ass ocia tion 1																			1.0 00	.07 7	.14 6	.39 3
Bra nd Ass ocia tion 2																				1.0 00	.02 6	.20 0
Bra nd Ass ocia tion 3																					1.0 00	.25 7
Bra nd Ass ocia tion 4																						1.0 00

Cronbach's Alpha based on standardised items is 0.870 which proves the reliability of the scale. It can also be confirmed with the help of the inter item correlation matrix given in the above table.

### 5.1.5 Sample Statistics:

Frequency statistics is one of the important aspects of interested variables therefore frequency statistics of the demographic variables is mentioned below.

#### Sample Statistics

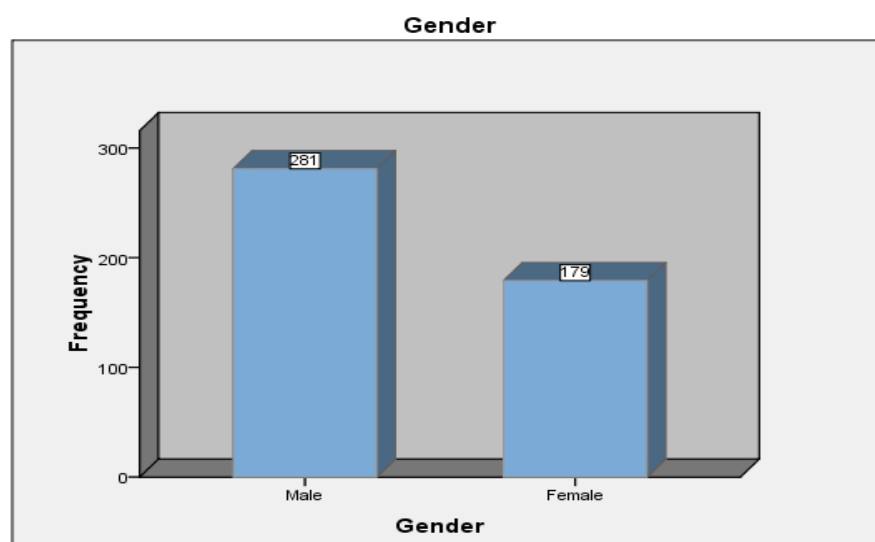
		Gender	Employment Status	Educational Qualification	Family Income	No. of Family members	Marital Status	Family Type	District
N	Valid	460	460	460	460	460	460	460	460
	Missing	0	0	0	0	0	0	0	0

### 5.1.6 Gender Statistics:

#### Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	281	61.1	61.1	61.1
	Female	179	38.9	38.9	100.0
	Total	460	100.0	100.0	

#### Classification of Gender

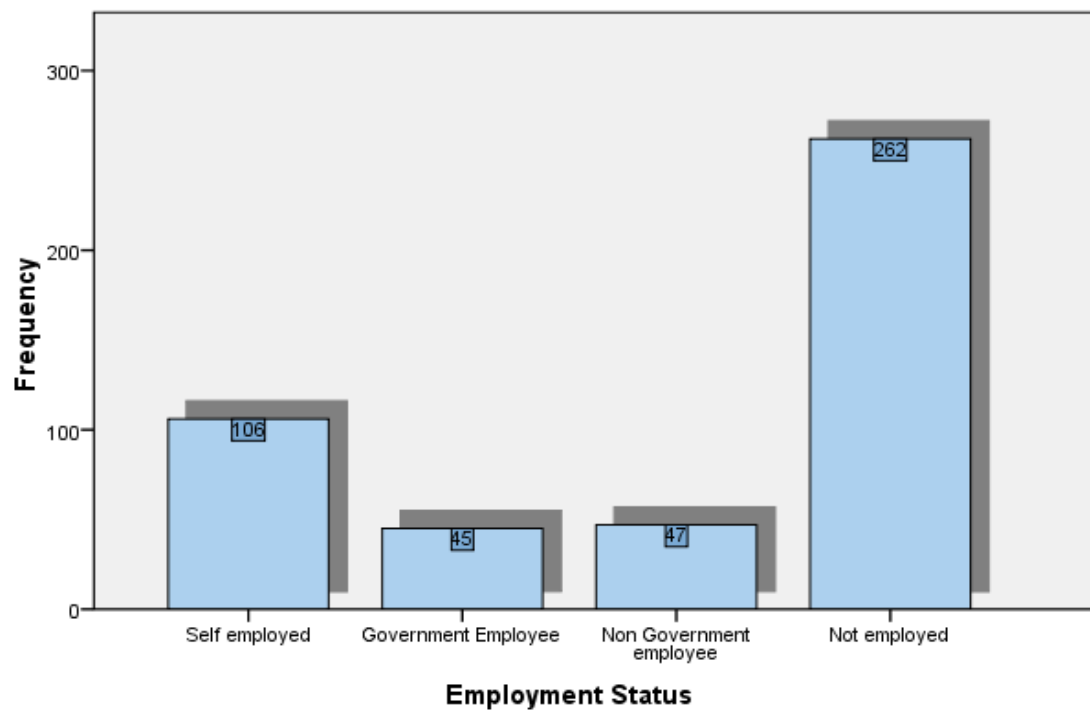


### 5.1.7 Employment Status Statistics:

**Employment Status**

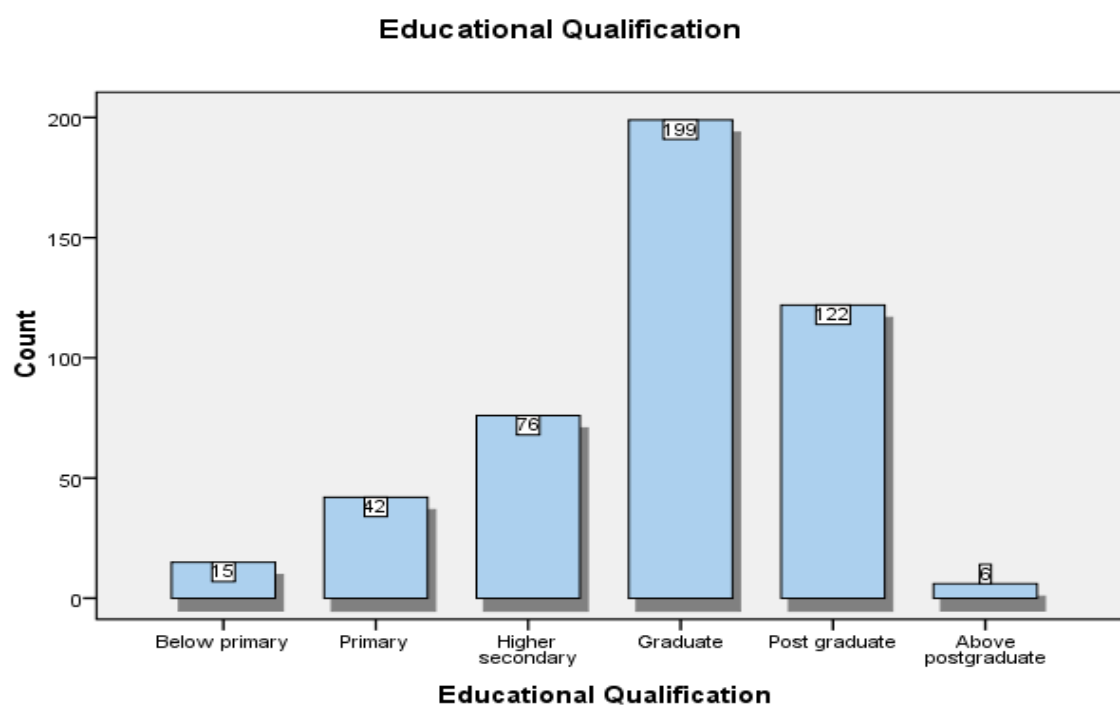
	Frequency	Percent	Valid Percent	Cumulative Percent
Self employed	106	23.0	23.0	23.0
Government Employee	45	9.8	9.8	32.8
Non Government employee	47	10.2	10.2	43.0
Not employed	262	57	57	100
Total	460	100.0	100.0	

**Employment Status**



### 5.1.8 Educational Qualification Statistics:

Educational Qualification					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below primary	15	3.3	3.3	3.3
	Primary	42	9.1	9.1	12.4
	Higher secondary	76	16.5	16.5	28.9
	Graduate	199	43.3	43.3	72.2
	Post graduate	122	26.5	26.5	98.7
	Above postgraduate	6	1.3	1.3	100.0
	Total	460	100.0	100.0	

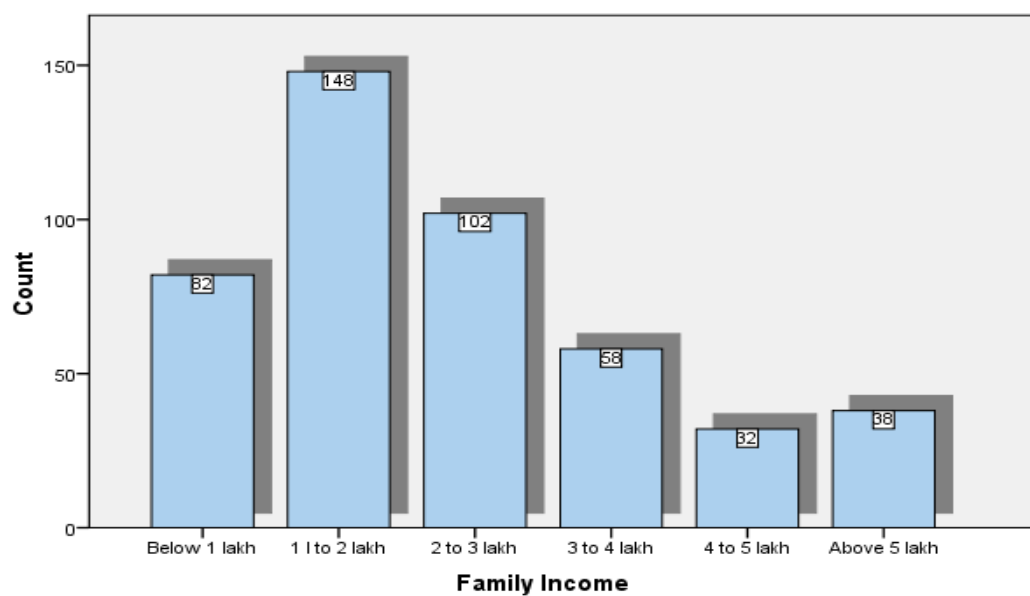


### 5.1.9 Family Income Statistics

#### Family Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 lakh	82	17.8	17.8	17.8
	1 1 to 2 lakhs	148	32.2	32.2	50.0
	2 to 3 lakhs	102	22.2	22.2	72.2
	3 to 4 lakhs	58	12.6	12.6	84.8
	4 to 5 lakhs	32	7.0	7.0	91.7
	Above 5 lakhs	38	8.3	8.3	100.0
	Total	460	100.0	100.0	

#### Family Income

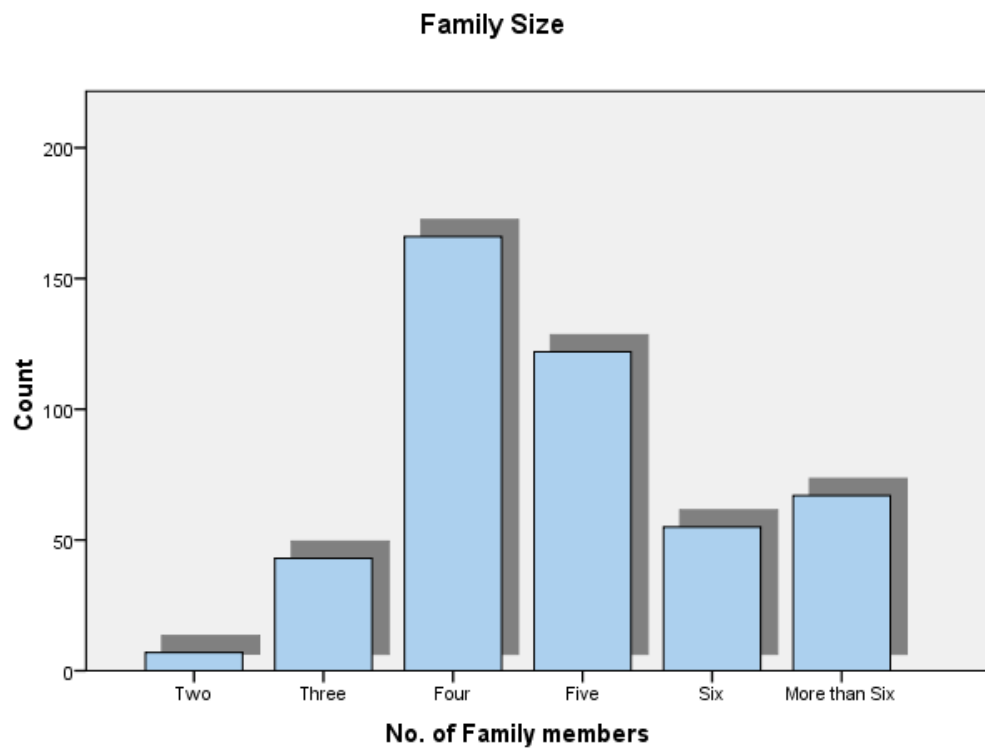




### 5.1.10 Family Size Statistics:

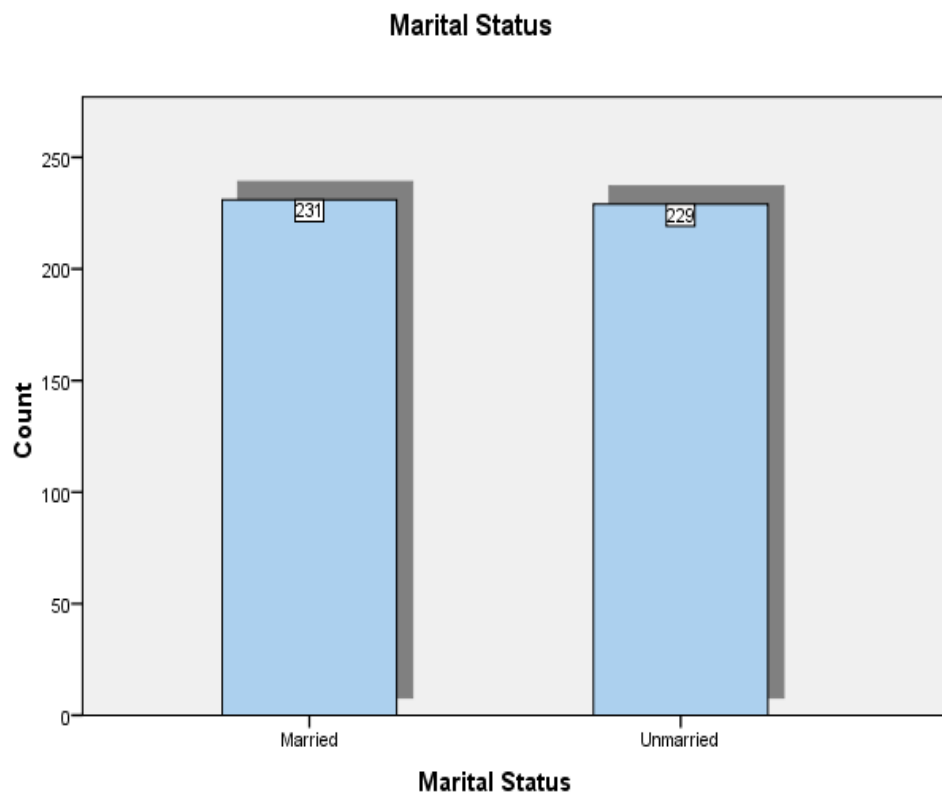
#### No. of Family members

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	7	1.5	1.5	1.5
	3	43	9.3	9.3	10.9
	4	166	36.1	36.1	47.0
	5	122	26.5	26.5	73.5
	6	55	12.0	12.0	85.4
	7	25	5.4	5.4	90.9
	8	23	5.0	5.0	95.9
	9	3	.7	.7	96.5
	10	2	.4	.4	97.0
	11	4	.9	.9	97.8
	12	1	.2	.2	98.0
	15	2	.4	.4	98.5
	16	2	.4	.4	98.9
	20	3	.7	.7	99.6
	25	2	.4	.4	100.0
Total		460	100.0	100.0	



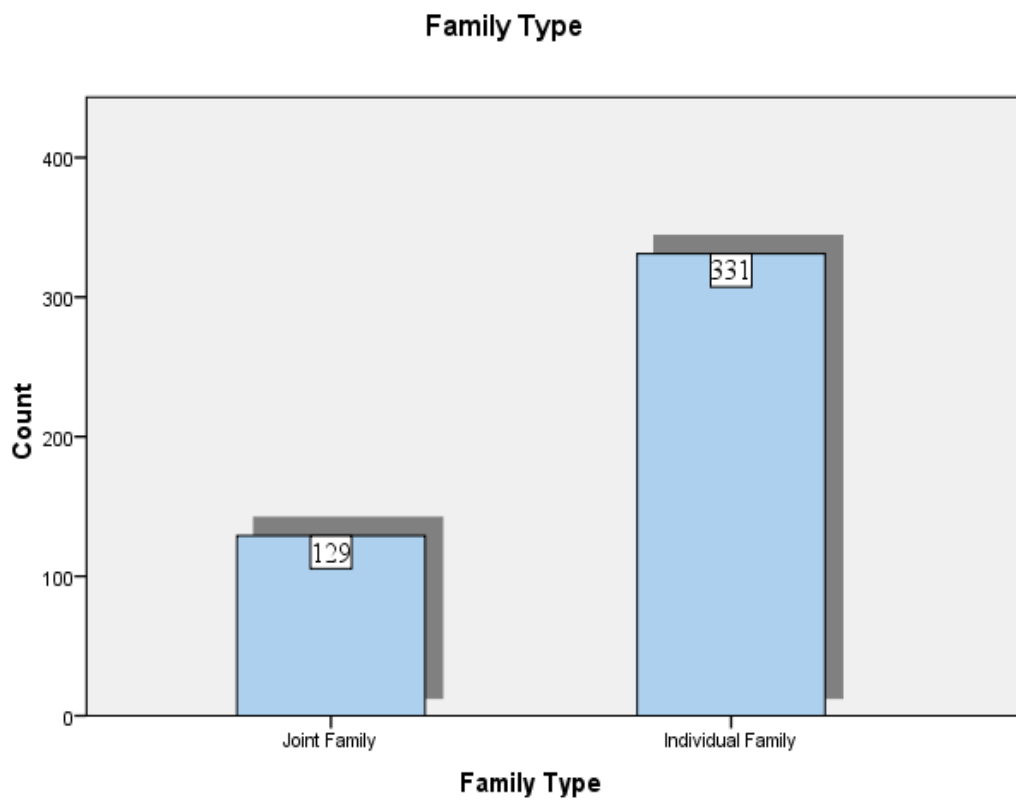
### 5.1.11 Marital Status Statistics:

Marital Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	231	50.2	50.2	50.2
	Unmarried	229	49.8	49.8	100.0
	Total	460	100.0	100.0	



### 5.1.12 Family Type Statistics:

Family Type					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Joint Family	129	28.0	28.0	28.0
	Individual Family	331	72.0	72.0	100.0
	Total	460	100.0	100.0	



### Testing Hypothesis:

Testing hypothesis provides the scientific base for the interpretation. Herewith, stated hypothesis are tested with the help of various parametric and non parametric tests as mentioned below.

5.2 Ho<sub>1</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and demographic variables.

**Ho<sub>11</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Gender.**

<b>Group Statistics</b> <b>5.2.1 Attitude towards Cash discount According to Gender:</b>					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Attitude towards Cash Discount	Male	281	3.0859	.98839	.05896
	Female	179	3.1014	.98887	.07391

### 5.2.2 One-Sample Kolmogorov-Smirnov Test (Test of Normality):

		Attitude towards Cash Discount
N		460
Normal Parameters <sup>a</sup>	Mean	3.0919
	Std. Deviation	.98753
Most Extreme Differences	Absolute	.092
	Positive	.092
	Negative	-.043
Kolmogorov-Smirnov Z		1.968
Asymp. Sig. (2-tailed)		.001

		Attitude towards Cash Discount
N		460
Normal Parameters <sup>a</sup>	Mean	3.0919
	Std. Deviation	.98753
Most Extreme Differences	Absolute	.092
	Positive	.092
	Negative	-.043
Kolmogorov-Smirnov Z		1.968
Asymp. Sig. (2-tailed)		.001

a. Test distribution is Normal.

Running the normality test it is found that the sample distribution is not the normal ( $0.001 < 0.005$ ) distribution. Hence Normality of the sample does not validate the Z test for testing the hypothesis.

Here, it is to test whether two samples are coming from the same population. More clearly, there is any significance difference between the mean of two samples. It is a comparing of two means with large sample size. If the distribution of the attitude towards the cash discount is normal probability distribution, Z test as a test of comparing two means should be used. But the interested variable is not normally distributed.

In this context, it is advisable and required to apply non parametric test to test the significance difference between two samples.

So, Non parametric tests have been used to test the hypothesis as mentioned below.

### 5.2.3 Mann-Whitney Test:

Ranks				
	Gender	N	Mean Rank	Sum of Ranks
Attitude towards Cash Discount	Male	281	229.78	64568.50
	Female	179	231.63	41461.50
	Total	460		

### 5.2.4 Test Statistics<sup>a</sup>

	Attitude towards Cash Discount
Mann-Whitney U	24947.500
Wilcoxon W	64568.500
Z	-.145
Asymp. Sig. (2-tailed)	.884

#### 5.2.4 Test Statistics<sup>a</sup>

	Attitude towards Cash Discount
Mann-Whitney U	24947.500
Wilcoxon W	64568.500
Z	-.145
Asymp. Sig. (2-tailed)	.884

a. Grouping Variable: Gender

#### 5.2.5 Two-Sample Kolmogorov-Smirnov Test:

##### Test Statistics<sup>a</sup>

	Attitude towards Cash Discount
Most Extreme Differences	
Absolute	.048
Positive	.048
Negative	-.041
Kolmogorov-Smirnov Z	.502
Asymp. Sig. (2-tailed)	.963

a. Grouping Variable: Gender

Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov-Smirnov tests are greater than 0.05 (  $0.884 > 0.05$  &  $0.963 > 0.005$ , respectively) it is concluded that there is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and gender as one of the demographic variables.

**H<sub>012</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and employment status.**

To check the assumption that all the employment status have equal variance Levene test is performed.



### 5.3.1 Test of Homogeneity of Variances

Attitude towards Cash Discount

Levene Statistic	df1	df2	Sig.
1.667	4	455	.157

Significance value is  $0.157 > 0.10$ , So Levene test accept the assumption of equal variance among the various employment status. So, ANOVA is used to test the hypothesis.

### 5.3.2 Descriptives

Attitude towards Cash Discount

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Self employed	106	2.9838	.92168	.08952	2.8063	3.1613	1.29	5.71
Government Employee	45	3.0635	1.13207	.16876	2.7234	3.4036	1.43	5.71
Non Government employee	47	2.9179	.88201	.12865	2.6590	3.1769	1.71	6.29
Not employed	262	3.1718	1.00169	.06188	3.0499	3.2936	1.29	6.57
Total	460	3.0919	.98753	.04604	3.0014	3.1824	1.29	6.57

5.3.3 ANOVA					
Attitude towards Cash Discount					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.368	3	1.456	1.498	.214
Within Groups	443.256	456	.972		
Total	447.623	459			

It is observed that the significance value is  $0.214 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and employment status.

**Ho<sub>13</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Education Qualification**

To check the assumption that all the Educational Qualification categories have equal variance Levene test is performed.

#### 5.4.1 Test of Homogeneity of Variances

Attitude towards Cash Discount

Levene Statistic	df1	df2	Sig.
.421	5	454	.834

Significance value is  $0.834 > 0.10$ , So Levene test accept the assumption of equal variance among the various employment status.

### 5.4.2 Descriptive

Attitude towards Cash Discount								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below primary	15	3.0762	1.02855	.26557	2.5066	3.6458	1.57	5.57
Primary	42	2.9150	1.08937	.16809	2.5755	3.2544	1.57	6.29
Higher secondary	76	3.1165	.91747	.10524	2.9069	3.3262	1.57	5.43
Graduate	199	3.1558	.96765	.06859	3.0205	3.2910	1.29	6.29
Post graduate	122	3.0703	1.02954	.09321	2.8857	3.2548	1.29	6.57
Above postgraduate	6	2.3810	.64944	.26513	1.6994	3.0625	1.57	3.14
Total	460	3.0919	.98753	.04604	3.0014	3.1824	1.29	6.57

### 5.4.3 ANOVA

Attitude towards Cash Discount					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.267	5	1.053	1.081	.370
Within Groups	442.357	454	.974		
Total	447.623	459			

It is interpreted that the significance value is  $0.370 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Educational Qualification.

**Ho<sub>14</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Family Income.**

To check the assumption that all the Family Income categories have equal variance Levene test is performed.

### 5.5.1 Test of Homogeneity of Variances

Attitude towards Cash Discount

Levene Statistic	df1	df2	Sig.
.496	5	454	.779

Significance value is  $0.779 > 0.10$ , So Levene test accept the assumption of equal variance among the various Family Income Group. So it provides the evidence to run ANOVA as a parametric test.

### 5.5.2 Descriptives

Attitude towards Cash Discount								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below 1 lakh	82	3.2805	.95461	.10542	3.0707	3.4902	1.57	6.29
1 to 2 lakhs	148	3.0463	.94485	.07767	2.8928	3.1998	1.29	5.86
2 to 3 lakhs	102	3.1232	1.01495	.10049	2.9239	3.3226	1.43	6.57
3 to 4 lakhs	58	3.3695	1.03537	.13595	3.0972	3.6417	1.86	6.00
4 to 5 lakhs	32	2.5536	.76265	.13482	2.2786	2.8285	1.29	4.00
Above 5 lakhs	38	2.8083	1.03031	.16714	2.4696	3.1469	1.29	5.43
Total	460	3.0919	.98753	.04604	3.0014	3.1824	1.29	6.57

### 5.5.3 ANOVA

Attitude towards Cash Discount

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	20.123	5	4.025	4.274	<b>.001</b>
Within Groups	427.500	454	.942		
Total	447.623	459			

It is interpreted that the significance value is  $0.01 < 0.05$ , Null Hypotheses is rejected and concluded that there is significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Family Income.

#### 5.5.4 Robust Tests of Equality of Means

Attitude towards Cash Discount

	Statistic <sup>a</sup>	df1	df2	Sig.
Welch	5.172	5	144.940	.000
Brown-Forsythe	4.367	5	320.461	.001

a. Asymptotically F distributed.

Robust Tests of Equality between means like Welch and Brown- Forsythe ( $0.000 < 0.05$  &  $0.01 < 0.05$ ) also confirmed that there is a significant deference between attitude towards cash discount as a sales promotion schemes and Family Income.

As the Family income Increases the attitude towards the cash discount becomes more favorable compare to free gift. It is probably because high family income respondents need immediate benefit and cash discount is a more visible immediate benefit than other types of sales promotion schemes.

**H<sub>015</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Family Size.**

To check the assumption that all the Family Sizes have equal variance Levene test is performed.

5.6.1 Test of Homogeneity of Variances			
Attitude towards Cash Discount			
Levene Statistic	df1	df2	Sig.
1.625 <sup>a</sup>	13	445	.075
a. Groups with only one case are ignored in computing the test of homogeneity of variance for attitude towards the cash discount.			

Significance value is  $0.075 < 0.10$ , So Levene test does not accept the assumption of equal variance among the various Family Sizes. So it does not provide the evidence to run ANOVA as a parametric test.

So ANOVA as a non parametric test should be used to identify the significant differences among the family sizes and attitude towards the cash discount.

<b>5.6.2 Descriptives</b>								
Attitude towards Cash Discount								
					95% Confidence Interval for Mean			
	N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
Two	7	3.1429	.91473	.34574	2.2969	3.9888	1.57	4.29
Three	43	3.1462	.99683	.15202	2.8394	3.4530	1.43	6.29
Four	166	3.0069	.94208	.07312	2.8625	3.1513	1.29	6.57
Five	122	3.2881	1.15299	.10439	3.0814	3.4947	1.29	6.29
Six	55	2.9169	.78279	.10555	2.7053	3.1285	1.29	4.57
More than Six	67	3.0490	.89303	.10910	2.8312	3.2669	1.43	5.29
Total	460	3.0919	.98753	.04604	3.0014	3.1824	1.29	6.57

<b>5.6.3 ANOVA</b>					
Attitude towards Cash Discount					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.847	5	1.569	1.620	.153
Within Groups	439.776	454	.969		
Total	447.623	459			

It is interpreted that the significance value is  $0.153 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Family Size.

<b>5.6.4 Multiple Comparisons</b>						
Attitude towards Cash Discount Tamhane						
(I) No. of Family members	(J) No. of Family members	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Two	Three	-.00332	.37768	1.000	-1.5200	1.5133
	Four	.13597	.35338	1.000	-1.4442	1.7162
	Five	-.14520	.36115	1.000	-1.6975	1.4071
	Six	.22597	.36149	1.000	-1.3256	1.7775
	More than Six	.09382	.36254	1.000	-1.4545	1.6421
Three	Two	.00332	.37768	1.000	-1.5133	1.5200
	Four	.13929	.16869	1.000	-.3741	.6527
	Five	-.14188	.18441	1.000	-.6975	.4137
	Six	.22930	.18507	.975	-.3296	.7882
	More than Six	.09714	.18711	1.000	-.4670	.6613
Four	Two	-.13597	.35338	1.000	-1.7162	1.4442
	Three	-.13929	.16869	1.000	-.6527	.3741
	Five	-.28117	.12745	.351	-.6583	.0959
	Six	.09000	.12840	1.000	-.2943	.4743
	More than Six	-.04216	.13134	1.000	-.4340	.3497
Five	Two	.14520	.36115	1.000	-1.4071	1.6975
	Three	.14188	.18441	1.000	-.4137	.6975
	Four	.28117	.12745	.351	-.0959	.6583
	Six	.37117	.14845	.184	-.0706	.8129
	More than Six	.23902	.15100	.841	-.2095	.6876
Six	Two	-.22597	.36149	1.000	-1.7775	1.3256
	Three	-.22930	.18507	.975	-.7882	.3296



	Four	-.09000	.12840	1.000	-.4743	.2943
	Five	-.37117	.14845	.184	-.8129	.0706
	More than Six	-.13216	.15180	.999	-.5857	.3214
More than Six	Two	-.09382	.36254	1.000	-1.6421	1.4545
	Three	-.09714	.18711	1.000	-.6613	.4670
	Four	.04216	.13134	1.000	-.3497	.4340
	Five	-.23902	.15100	.841	-.6876	.2095
	Six	.13216	.15180	.999	-.3214	.5857

It is observed from the Tamhane test, in multiple comparisons among various Family sizes indicates that there is no significance difference towards cash discount as a sales promotion scheme. All significant values are greater than 0.05. So, Null hypothesis can not be rejected.

**Ho<sub>16</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Family Type.**

#### 5.7.1 Group Statistics

Family Type		N	Mean	Std. Deviation	Std. Error Mean
Attitude towards Cash Discount	Joint Family	129	3.0377	.88380	.07781
	Individual Family	331	3.1131	1.02560	.05637

Here, it is to test whether two samples are coming from the same population. More clearly, there is any significance difference between the mean of two samples. It is a comparing of two means with large sample size. If the distribution of the attitude towards the cash discount is normal probability distribution, Z test as a test of comparing two means should be used. But the interested variable is not normally distributed.

In this context, it is advisable and required to apply non parametric test to test the significance difference between two samples.

So, testing hypothesis non parametric test is used.

#### 5.7.2 Mann Whitney Test:

Ranks				
	Family Type	N	Mean Rank	Sum of Ranks
Attitude towards Cash Discount	Joint Family	129	227.66	29367.50
	Individual Family	331	231.61	76662.50
	Total	460		

#### 5.7.3 Test Statistics<sup>a</sup>

	Attitude towards Cash Discount
Mann-Whitney U	20982.500
Wilcoxon W	29367.500
Z	-.287
Asymp. Sig. (2-tailed)	.774

a. Grouping Variable: Family Type

#### 5.7.4 Two samples Kolmogorov Smirnov test:

Test Statistics <sup>a</sup>			Attitude towards Cash Discount
Most Extreme Differences	Absolute		.064
	Positive		.043
	Negative		-.064
Kolmogorov-Smirnov Z			.612
Asymp. Sig. (2-tailed)			.848

a. Grouping Variable: Family Type

Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov Smirnov test are greater than 0.05 (  $0.774 > 0.05$  &  $0.848 > 0.05$ , respectively) it is concluded that there is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and Family type as one of the demographic variables.

**Ho<sub>17</sub>: There is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and marital status.**

#### 5.8.1 Group Statistics

		Marital Status	N	Mean	Std. Deviation	Std. Error Mean
Attitude towards Cash Discount	Married		231	3.0779	1.00148	.06589
	Unmarried		229	3.1061	.97525	.06445

Here, it is to test whether two samples are coming from the same population. More clearly, there is any significance difference between the mean of two samples. It is a comparing of two means with large sample size. If the distribution of the attitude towards the cash discount is normal probability distribution, Z test as a test of comparing two means should be used. But the interested variable is not normally distributed.

In this context, it is advisable and required to apply non parametric test to test the significance difference between two samples.

### 5.8.2 Mann Whitney Test:

Ranks				
	Marital Status	N	Mean Rank	Sum of Ranks
Attitude towards Cash Discount	Married	231	227.48	52547.50
	Unmarried	229	233.55	53482.50
	Total	460		

### 5.8.3 Test Statistics<sup>a</sup>

	Attitude towards Cash Discount
Mann-Whitney U	25751.500
Wilcoxon W	52547.500
Z	-.490
Asymp. Sig. (2-tailed)	.624

a. Grouping Variable: Marital Status

### 5.8.4 Two Sample Kolmogorov –Smirnov Test:

Test Statistics <sup>a</sup>			Attitude towards Cash Discount
Most Extreme Differences	Absolute		.050
	Positive		.050
	Negative		-.033
Kolmogorov-Smirnov Z			.538
Asymp. Sig. (2-tailed)			.934

a. Grouping Variable: Marital Status

Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov – Smirnov tests are greater than 0.05 ( $0.624 > 0.05$  &  $0.934 > 0.05$ , respectively) it is concluded that there is no significant difference between Consumer attitude towards the cash discount as a sales promotion scheme and marital status as one of the demographic variables.

**5.3 Ho<sub>2</sub>: There is no significant difference between consumer preference of cash discount and free gift as sales promotion schemes.**

**5.9.1 One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Cash Discount	460	2.46	1.130	.053
Free Gift	460	3.93	1.295	.060

**5.9.2 One-Sample T Test**

	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Cash Discount	46.714	459	.000	2.462	2.36	2.57
Free Gift	65.096	459	.000	3.932	3.81	4.05

Here the significance value (2- tailed) is 0.000 so, null hypotheses can be rejected and so concluded that there is significant difference between consumer preference of cash discount and free gift as sales promotion schemes.

It is also very clear that consumers prefer cash discount as a sales promotion schemes compare to free gift as a sales promotion scheme.

**5.4       $H_{03}$ : There is no significant difference between Consumer Deal proneness and demographic variables.**

**$H_{031}$ : There is no significant difference between Consumer deal proneness and Gender.**

#### **5.10.1 Group Statistics**

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Deal Proneness	Male	281	3.6370	1.69509	.10112
	Female	179	3.7877	1.74630	.13052

<b>5.10.2 Test of Homogeneity of Variances</b>			
<b>Deal Proneness</b>			
Levene Statistic	df1	df2	Sig.
.959	1	458	.328

From the above table it can be observed that Levene's Test for equality of variance the significance value is  $0.328 > 0.10$ . So we conclude that both male and female categories have equal variance.

### 5.10.3 Test of Normality:

#### One-Sample Kolmogorov-Smirnov Test

		Deal Proneness
N		460
Normal Parameters <sup>a</sup>	Mean	3.6957
	Std. Deviation	1.71488
Most Extreme Differences	Absolute	.114
	Positive	.114
	Negative	-.114
Kolmogorov-Smirnov Z		2.446
Asymp. Sig. (2-tailed)		.000
a. Test distribution is Normal.		

From One sample Kolmogorov – Smirnov test of normality concluded that given variable distribution is not normal though having the equal variance of deal proneness across gender categories. Henceforth for testing hypothesis non parametric test should be used.

### 5.10.4 Mann Whitney U Test:

#### Ranks

	Gender	N	Mean Rank	Sum of Ranks
Deal Proneness	Male	281	226.78	63726.50
	Female	179	236.33	42303.50
	Total	460		

### 5.10.5 Test Statistics<sup>a</sup>

	Deal Proneness
Mann-Whitney U	24105.500
Wilcoxon W	63726.500
Z	-.753
Asymp. Sig. (2-tailed)	.452

a. Grouping Variable: Gender

### 5.10.6 Two Samples Kolmogorov – Smirnov Test:

Test Statistics <sup>a</sup>		Deal Proneness
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.039
Kolmogorov-Smirnov Z		.688
Asymp. Sig. (2-tailed)		.731

a. Grouping Variable: Gender

Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov-Smirnov tests are greater than 0.05 (  $0.452 > 0.05$  &  $0.731 > 0.05$ , respectively) it is concluded that there is no significant difference between Consumer deal proneness and gender as one of the demographic variables.

**Ho<sub>32</sub>: There is no significant difference between Consumer deal proneness and Employment Status.**

To check the assumption that all the employment status has equal variance of Deal Proneness Levene test is performed.

### 5.11.1 Test of Homogeneity of Variances

Deal Proneness:

Levene Statistic	df1	df2	Sig.
.618	3	456	.604

Significance value is  $0.604 > 0.10$ , So Levene test accept the assumption of equal variance of Deal Proneness among the various employment status.



So ANOVA as a parametric test should be used to identify the significant differences between the consumer Deal proneness and Employment Status.

#### 5.11.2 Descriptives

Deal Proneness	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Self employed	106	3.9340	1.75567	.17053	3.5958	4.2721	1.00	7.00
Government Employee	45	3.9704	1.71126	.25510	3.4563	4.4845	1.00	7.00
Non Government employee	47	3.6525	1.75416	.25587	3.1374	4.1675	1.00	7.00
Not employed	262	3.5598	1.68547	.10413	3.3548	3.7648	1.00	7.00
Total	460	3.6957	1.71488	.07996	3.5385	3.8528	1.00	7.00

### 5.11.3 ANOVA

Deal Proneness:	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	14.339	3	4.780	1.632	.181
Within Groups	1335.496	456	2.929		
Total	1349.836	459			

It is interpreted that the significance value is  $0.181 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Consumer deal proneness and employment status.

**H<sub>032</sub>: There is no significant difference between Consumer deal proneness and Educational qualification.**

To check the assumption that all the educational qualifications have equal variance of Deal Proneness, Levene test is performed.

### 5.12.1 Test of Homogeneity of Variances

Deal Proneness

Levene Statistic	df1	df2	Sig.
1.165	5	454	.326

Significance value is  $0.326 > 0.10$ , So Levene test accept the assumption of equal variance of Deal Proneness among the various employment status.

So ANOVA as a parametric test should be used to identify the significant differences between the consumer Deal proneness and Educational qualifications.

### 5.12.2 Descriptives

Deal Proneness:	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below primary	15	3.5778	1.87493	.48410	2.5395	4.6161	1.33	7.00
Primary	42	4.0000	1.90136	.29339	3.4075	4.5925	1.00	6.67
Higher secondary	76	3.4430	1.63335	.18736	3.0697	3.8162	1.00	7.00
Graduate	199	3.6851	1.65491	.11731	3.4537	3.9164	1.00	7.00
Post graduate	122	3.7240	1.77250	.16047	3.4063	4.0417	1.00	7.00
Above postgraduate	6	4.8333	1.61589	.65969	3.1376	6.5291	3.33	7.00
Total	460	3.6957	1.71488	.07996	3.5385	3.8528	1.00	7.00

### 5.12.3 ANOVA

Deal Proneness:	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	16.837	5	3.367	1.147	.335
Within Groups	1332.999	454	2.936		
Total	1349.836	459			

It is interpreted that the significance value is  $0.335 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Consumer deal proneness and educational qualifications.

**H<sub>034</sub>: There is no significant difference between Consumer deal proneness and family income.**

To check the assumption that all the family income categories have equal variance of Deal Proneness, Levene test is performed.

### 5.13.1 Test of Homogeneity of Variances

**Deal Proneness:**

Levene Statistic	df1	df2	Sig.
.913	5	454	.472

Significance value is  $0.472 > 0.10$ , So Levene test accept the assumption of equal variance of Deal Proneness among the various employment status.

So ANOVA as a parametric test should be used to identify the significant differences between the consumer Deal proneness and Educational qualifications.

### 5.13.2 Descriptives

Deal Proneness	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below 1 lakh	82	3.5854	1.66177	.18351	3.2202	3.9505	1.00	7.00
1 l to 2 lakhs	148	3.4324	1.63921	.13474	3.1662	3.6987	1.00	7.00
2 to 3 lakhs	102	3.5784	1.73866	.17215	3.2369	3.9199	1.00	7.00
3 to 4 lakhs	58	4.0517	1.74249	.22880	3.5936	4.5099	1.33	7.00
4 to 5 lakhs	32	4.1979	1.81759	.32131	3.5426	4.8532	1.67	7.00
Above 5 lakhs	38	4.3070	1.70915	.27726	3.7452	4.8688	1.33	7.00
Total	460	3.6957	1.71488	.07996	3.5385	3.8528	1.00	7.00

### 5.13.3 ANOVA

Deal Proneness:	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	42.283	5	8.457	2.936	.013
Within Groups	1307.553	454	2.880		
Total	1349.836	459			

It is interpreted that the significance value is  $0.13 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Consumer deal proneness and family income.

**Ho<sub>35</sub>: There is no significant difference between Consumer deal proneness and family size.**

To check the assumption that all the educational qualifications have equal variance of Deal Proneness, Levene test is performed.

### 5.14.1 Test of Homogeneity of Variances

**Deal Proneness:**

Levene Statistic	df1	df2	Sig.
.929	5	454	.462

Significance value is  $0.462 > 0.10$ , So Levene test accept the assumption of equal variance of Deal Proneness among the various family sizes.

So ANOVA as a parametric test should be used to identify the significant differences between the consumer Deal proneness and Family Size categories.

### 5.14.2 Descriptives

#### Deal Proneness:

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Two	7	3.5238	1.46385	.55328	2.1700	4.8776	1.67	5.67
Three	43	3.4496	1.77711	.27101	2.9027	3.9965	1.00	7.00
Four	166	3.9418	1.74386	.13535	3.6745	4.2090	1.00	7.00
Five	122	3.5710	1.64335	.14878	3.2765	3.8656	1.00	7.00
Six	55	3.7212	1.78559	.24077	3.2385	4.2039	1.00	7.00
More than Six	67	3.4677	1.67579	.20473	3.0589	3.8764	1.00	7.00
Total	460	3.6957	1.71488	.07996	3.5385	3.8528	1.00	7.00

### 5.14.3 ANOVA

Deal Proneness:	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	18.278	5	3.656	1.246	.286
Within Groups	1331.558	454	2.933		
Total	1349.836	459			

It is interpreted that the significance value is  $0.286 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Consumer deal proneness and family size.

**H<sub>036</sub>: There is no significant difference between Consumer deal proneness and family type.**

#### 5.15.1 Group Statistics

	Family Type	N	Mean	Std. Deviation	Std. Error Mean
Deal Proneness	Joint Family	129	3.5685	1.69579	.14931
	Individual Family	331	3.7452	1.72227	.09466

#### 5.15.2 Test of Homogeneity of Variances

**Deal Proneness:**

Levene Statistic	df1	df2	Sig.
.383	1	458	.536

From the above table it can be observed that Levene's Test for equality of variance the significance value is  $0.536 > 0.10$ . So we conclude that both categories have equal variance.

#### 5.15.3 Test of Normality:

##### One-Sample Kolmogorov-Smirnov Test

		Deal Proneness
N		460
Normal Parameters <sup>a</sup>	Mean	3.6957
	Std. Deviation	1.71488
Most Extreme Differences	Absolute	.114
	Positive	.114
	Negative	-.114
Kolmogorov-Smirnov Z		2.446
Asymp. Sig. (2-tailed)		.000
a. Test distribution is Normal.		

Running the normality test it is found that the sample distribution is not the normal distribution. Hence Normality of the sample does not approve the application of the t test for testing the hypothesis.

Therefore, to test the hypothesis Non Parametric test is used.

#### 5.15.4 Mann Whitney Test:

Ranks				
	Family Type	N	Mean Rank	Sum of Ranks
<b>Deal Proneness</b>	Joint Family	129	220.95	28503.00
	Individual Family	331	234.22	77527.00
	Total	460		

#### 5.15.5 Test Statistics<sup>a</sup>

	Deal Proneness
Mann-Whitney U	20118.000
Wilcoxon W	28503.000
Z	-.964
Asymp. Sig. (2-tailed)	.335

a. Grouping Variable: Family Type

#### 5.15.6 Two Sample Kolmogorov – Smirnov Test:

Test Statistics <sup>a</sup>			Deal Proneness
Most Extreme Differences	Absolute		.063
	Positive		.005
	Negative		-.063
Kolmogorov-Smirnov Z			.607
Asymp. Sig. (2-tailed)			.855

a. Grouping Variable: Family Type



Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov-Smirnov tests are greater than 0.05 (  $0.335 > 0.05$  &  $0.855 > 0.05$ , respectively) it is concluded that there is no significant difference between Consumer deal proneness and family type as one of the demographic variables.

**H<sub>037</sub>: There is no significant difference between Consumer deal proneness and marital status.**

#### 5.16.1 Group Statistics

	Marital Status	N	Mean	Std. Deviation	Std. Error Mean
<b>Deal Proneness</b>	Married	231	3.9481	1.76717	.11627
	Unmarried	229	3.4410	1.62493	.10738

#### 5.16.2 Test of Homogeneity of Variances

**Deal Proneness**

Levene Statistic	df1	df2	Sig.
5.731	1	458	.017

From the above table it can be observed that Levene's Test for equality of variance the significance value is  $0.017 > 0.10$ . So we conclude that both categories have equal variance.

### 5.16.3 Test of Normality:

#### One-Sample Kolmogorov-Smirnov Test

		Marital Status
N		460
Normal Parameters <sup>a</sup>	Mean	1.50
	Std. Deviation	.501
Most Extreme Differences	Absolute	.342
	Positive	.342
	Negative	-.340
Kolmogorov-Smirnov Z		7.339
Asymp. Sig. (2-tailed)		.000
a. Test distribution is Normal.		

Running the normality test it is found that the sample distribution is not the normal distribution. Hence Normality of the sample does not approve the application of the t test for testing the hypothesis.

Therefore, to test the hypothesis Non Parametric test is used.

### 5.16.4 Mann Whitney Test:

#### Ranks

		N	Mean Rank	Sum of Ranks
Deal Proneness	Married	231	249.57	57650.50
	Unmarried	229	211.26	48379.50
	Total	460		

### 5.16.5 Test Statistics<sup>a</sup>

	Deal Proneness
Mann-Whitney U	22044.500
Wilcoxon W	48379.500
Z	-3.097
Asymp. Sig. (2-tailed)	.002

#### 5.16.5 Test Statistics<sup>a</sup>

	Deal Proneness
Mann-Whitney U	22044.500
Wilcoxon W	48379.500
Z	-3.097
Asymp. Sig. (2-tailed)	.002

a. Grouping Variable: Marital Status

#### 5.16.6 Two Sample Kolmogorov – Smirnov Test:

##### Test Statistics<sup>a</sup>

		Deal Proneness
Most Extreme Differences	Absolute	.138
	Positive	.000
	Negative	-.138
Kolmogorov-Smirnov Z		1.475
Asymp. Sig. (2-tailed)		.026

a. Grouping Variable: Marital Status

Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov-Smirnov tests are less than 0.05 (  $0.002 > 0.05$  &  $0.026 < 0.05$ , respectively) it is concluded that there is significant difference between Consumer deal proneness and marital status as one of the demographic variables.

It is also very clear from Mann Whitney mean rank statistics; mean rank for married is higher than unmarried category ( $249.57 > 211.26$ ). So it is concluded than married are more deal prone compare to unmarried.

**5.5 Ho<sub>4</sub>: There is no significant difference between Brand equity perception and demographic variables considering sales promotion schemes.**

**Ho<sub>41</sub>: There is no significant difference between Brand equity perception and Gender.**

#### **5.17.1 Group Statistics**

		N	Mean	Std. Deviation	Std. Error Mean
Brand Equity Perception	Male	281	3.66	.881	.053
	Female	179	3.58	.970	.073

#### **5.17.2 Test of Homogeneity of Variances**

##### **Brand equity Perception**

Levene Statistic	df1	df2	Sig.
6.114	1	458	.014

From the above table it can be observed that Levene's Test for equality of variance the significance value is  $0.014 < 0.10$ . So we conclude that both categories do not have equal variance.

### 5.17.3 Test of Normality:

#### One-Sample Kolmogorov-Smirnov Test

		Brand Equity Perception
N		460
Normal Parameters <sup>a</sup>	Mean	3.63
	Std. Deviation	.917
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.043
Kolmogorov-Smirnov Z		1.419
Asymp. Sig. (2-tailed)		.036
a. Test distribution is Normal.		

Running the normality test it is found that the sample distribution is not the normal distribution. Hence, with non normality of the sample, t test cannot be used to test the hypothesis.

So, it is suggested to use non parametric test for testing the hypothesis.

### 5.17.4 Mann Whitney Test:

#### Ranks

		N	Mean Rank	Sum of Ranks
Brand Equity perception	Male	281	236.60	66485.50
	Female	179	220.92	39544.50
	Total	460		

#### 5.17.5 Test Statistics<sup>a</sup>

	Brand Equity Perception
Mann-Whitney U	23434.500
Wilcoxon W	39544.500
Z	-1.234
Asymp. Sig. (2-tailed)	.217

a. Grouping Variable: Gender

#### 5.17.6 Two Samples Kolmogorov – Smirnov Test:

Test Statistics <sup>a</sup>		Brand Equity Perception
Most Extreme Differences	Absolute	.108
	Positive	.033
	Negative	-.108
Kolmogorov-Smirnov Z		1.129
Asymp. Sig. (2-tailed)		.156

a. Grouping Variable: Gender

Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov-Smirnov tests are greater than 0.05 ( $0.217 > 0.05$  &  $0.156 > 0.05$ , respectively) it is concluded that there is no significant difference between of brand equity perception among gender as one of the demographic variables.

**Ho<sub>42</sub>: There is no significant difference between Brand equity perceptions among Employment status.**

#### 5.18.1 Test of Homogeneity of Variances

##### Brand Equity Perception:

Levene Statistic	df1	df2	Sig.
.154	3	456	.927

Significance value is  $0.927 > 0.10$ , So Levene test accept the assumption of equal variance among the various employment status.

### 5.18.2 Descriptives

Brand Equity perception	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Self employed	106	3.8302	.92238	.08959	3.6525	4.0078	1.99	6.05
Government Employee	46	3.6952	.82310	.12136	3.4508	3.9396	1.90	5.43
Non Government employee	48	3.6840	.88471	.12770	3.4271	3.9409	2.03	5.47
Not employed	260	3.5236	.92470	.05735	3.4106	3.6365	1.49	6.19
Total	460	3.6281	.91656	.04273	3.5441	3.7121	1.49	6.19

### 5.18.3 ANOVA

Brand Equity perception	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.528	3	2.509	3.027	.029
Within Groups	378.069	456	.829		
Total	385.597	459			

It is observed that the significance value is  $0.029 < 0.05$ , Null Hypotheses is rejected and concluded that there is significant difference between brand equity perceptions among various employment status.

### 5.18.4 Robust Tests of Equality of Means

Brand Equity perception	Statistic <sup>a</sup>	df1	df2	Sig.
Welch	2.937	3	123.328	.036
Brown-Forsythe	3.221	3	234.111	.023

a. Asymptotically F distributed.

It is clear from Welch statistics significance value ( $0.036 < 0.05$ ) and supported by Brown- Forsythe ( $0.023 < 0.05$ ) that there is a significance difference among various Employment categories towards Brand equity perception.

**Ho<sub>43</sub>: There is no significant difference between Brand equity perception and Educational qualification.**

### 5.19.1 Test of Homogeneity of Variances

#### Brand Equity Perception

Levene Statistic	df1	df2	Sig.
1.684	5	454	.137

Significance value is  $0.137 > 0.10$ , So Levene test accept the assumption of equal variance among the various educational qualification.

5.19.2 Descriptives								
Brand Equity perception	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below primary	15	3.7069	1.12271	.28988	3.0852	4.3287	2.50	6.19
Primary	42	3.6620	1.02888	.15876	3.3413	3.9826	1.95	5.79
Higher secondary	76	3.6343	.85993	.09864	3.4378	3.8308	1.99	6.05
Graduate	199	3.6044	.93036	.06595	3.4743	3.7344	1.49	6.12
Post graduate	122	3.6331	.89054	.08063	3.4735	3.7927	1.93	6.05
Above postgraduate	6	3.8021	.51078	.20852	3.2661	4.3381	3.23	4.55
Total	460	3.6281	.91656	.04273	3.5441	3.7121	1.49	6.19



### 5.19.3 ANOVA

Brand Equity perception	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.441	5	.088	.104	.991
Within Groups	385.156	454	.848		
Total	385.597	459			

It is observed that the significance value is  $0.991 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between brand equity perception and Educational qualification.

**Ho<sub>44</sub>: There is no significant difference between Brand equity perception and Family Income**

### 5.20.1 Test of Homogeneity of Variances

#### Brand Equity Perception

Levene Statistic	df1	df2	Sig.
1.539	5	454	.176

Significance value is  $0.176 > 0.10$ , So Levene test accept the assumption of equal variance of Brand equity perception among the various categories of family Income.

<b>5.20.2 Descriptives</b>								
<b>Brand Equity Perception</b>	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below 1 lakh	82	3.4440	.85039	.09391	3.2571	3.6308	1.93	5.34
1 to 2 lakhs	148	3.6705	.95904	.07883	3.5147	3.8263	1.90	6.19
2 to 3 lakhs	102	3.5586	.88692	.08782	3.3844	3.7328	1.51	6.05
3 to 4 lakhs	58	3.6818	.88052	.11562	3.4502	3.9133	2.00	6.01
4 to 5 lakhs	32	3.6868	1.08606	.19199	3.2953	4.0784	1.49	5.32
Above 5 lakhs	38	3.9156	.81626	.13241	3.6473	4.1839	2.54	5.43
Total	460	3.6281	.91656	.04273	3.5441	3.7121	1.49	6.19

<b>5.20.3 ANOVA</b>					
<b>Brand Equity Perception</b>	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.957	5	1.391	1.668	.141
Within Groups	378.641	454	.834		
Total	385.597	459			

It is observed that the significance value is  $0.141 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Brand equity perception and Family Income.

**Ho<sub>45</sub>: There is no significant difference between Brand equity perception and Family size**

#### 5.21.1 Descriptives

Brand equity Perception	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Two	7	3.0923	.64654	.24437	2.4943	3.6902	2.03	3.78
Three	43	3.6403	1.08962	.16617	3.3049	3.9756	2.00	6.01
Four	166	3.7304	.90316	.07010	3.5920	3.8688	1.51	6.19
Five	122	3.5609	.89046	.08062	3.4013	3.7205	2.00	6.12
Six	55	3.6737	.94547	.12749	3.4181	3.9293	1.49	5.33
More than Six	67	3.5079	.86192	.10530	3.2977	3.7182	1.93	5.47
Total	460	3.6281	.91656	.04273	3.5441	3.7121	1.49	6.19

#### 5.21.2 Test of Homogeneity of Variances

##### Brand equity Perception

Levene Statistic	df1	df2	Sig.
1.723	5	454	.128

Significance value is  $0.128 > 0.10$ , So Levene test accept the assumption of equal variance among of brand equity perception among the categories of family size.

#### 5.21.3 ANOVA

Brand equity Perception	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.387	5	1.077	1.287	.268
Within Groups	380.210	454	.837		
Total	385.597	459			

It is observed that the significance value is  $0.268 > 0.05$ , Null Hypotheses is not rejected and concluded that there is no significant difference between Brand equity perception and family sizes.

**Ho<sub>46</sub>: There is no significant difference between Brand equity perception and Family type.**

#### 5.22.1 Descriptives

Brand Equity perception	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Joint Family	129	3.5573	.80011	.07045	3.4179	3.6966	1.93	5.47
Individual Family	331	3.6557	.95783	.05265	3.5522	3.7593	1.49	6.19
Total	460	3.6281	.91656	.04273	3.5441	3.7121	1.49	6.19

#### 5.22.2 Test of Homogeneity of Variances

**Brand Equity perception**

Levene Statistic	df1	df2	Sig.
7.306	1	458	.007

From the above table it can be observed that Levene's Test for equality of variance the significance value is  $0.07 < 0.10$ . So we conclude that both family types' categories do not have equal variance.

### 5.22.3 Test of Normality: One-Sample Kolmogorov-Smirnov Test

		Brand Equity Perception
N		460
Normal Parameters <sup>a</sup>	Mean	3.63
	Std. Deviation	.917
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.043
Kolmogorov-Smirnov Z		1.419
Asymp. Sig. (2-tailed)		.036
a. Test distribution is Normal.		

Running the normality test it is found that the sample distribution is not the normal distribution. Hence, with non normality of the sample, t test cannot be used to test the hypothesis.

So, it is suggested to use non parametric test for testing the hypothesis.

### 5.22.4 Mann Whitney Test:

Ranks				
	Family Type	N	Mean Rank	Sum of Ranks
Brand Equity Perception	Joint Family	129	222.81	28742.50
	Individual Family	331	233.50	77287.50
	Total	460		
5.22.5 Test Statistics <sup>a</sup>				
			Brand Equity Perception	
Mann-Whitney U			20357.500	
Wilcoxon W			28742.500	
Z			-.775	
Asymp. Sig. (2-tailed)			.439	

Ranks				
	Family Type	N	Mean Rank	Sum of Ranks
Brand Equity Perception	Joint Family	129	222.81	28742.50
	Individual Family	331	233.50	77287.50
a. Grouping Variable: Family Type				

#### 5.22.6 Two Sample Kolmogorov- Smirnov Test:

Test Statistics <sup>a</sup>		Brand Equity Perception
Most Extreme Differences	Absolute	.088
	Positive	.038
	Negative	-.088
Kolmogorov-Smirnov Z		.846
Asymp. Sig. (2-tailed)		.471

a. Grouping Variable: Family Type

Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov-Smirnov tests are greater than 0.05 ( $0.439 > 0.05$  &  $0.471 > 0.05$ , respectively) it is concluded that there is no significant difference between of brand equity perception among categories family types of as one of the demographic variables.

**Ho<sub>47</sub>: There is no significant difference between Brand equity perception and marital status.**

5.23.1 Descriptives								
Brand Equity Perception	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Married	231	3.7528	.96217	.06331	3.6281	3.8776	1.90	6.19
Unmarried	229	3.5023	.85186	.05629	3.3914	3.6132	1.49	6.12
Total	460	3.6281	.91656	.04273	3.5441	3.7121	1.49	6.19

### 5.23.2 Test of Homogeneity of Variances

#### Brand Equity Perception

Levene Statistic	df1	df2	Sig.
6.114	1	458	.014

From the above table it can be observed that Levene's Test for equality of variance the significance value is  $0.14 > 0.10$ . So we conclude that both marital status categories have equal variance of brand equity perception.

### 5.23.3 Test of Normality:

#### One-Sample Kolmogorov-Smirnov Test

		Brand Equity Perception
N		460
Normal Parameters <sup>a</sup>	Mean	3.63
	Std. Deviation	.917
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.043
Kolmogorov-Smirnov Z		1.419
Asymp. Sig. (2-tailed)		.036
a. Test distribution is Normal.		

Running the normality test it is found that the sample distribution is not the normal distribution. Hence, with non normality of the sample, t test cannot be used to test the hypothesis.

So, it is suggested to use non parametric test for testing the hypothesis.

#### 5.23.4 Mann Whitney Test:

##### Ranks

Marital Status		N	Mean Rank	Sum of Ranks
<b>Brand Equity Perception</b>	Married	231	246.20	56871.50
	Unmarried	229	214.67	49158.50
	Total	460		

#### 5.23.5 Test Statistics<sup>a</sup>

Brand Equity Perception	
Mann-Whitney U	22823.500
Wilcoxon W	49158.500
Z	-2.544
Asymp. Sig. (2-tailed)	.011

a. Grouping Variable: Marital Status

#### 5.23.6 Two Sample Kolmogorov – Smirnov Test:

##### Test Statistics<sup>a</sup>

		BQP
Most Extreme Differences	Absolute	.142
	Positive	.000
	Negative	-.142
Kolmogorov-Smirnov Z		1.521
Asymp. Sig. (2-tailed)		.020

a. Grouping Variable: Marital Status



Here, at 5 % level of significance the value of the Mann Whitney and Kolmogorov-Smirnov tests are less than 0.05 (  $0.011 < 0.05$  &  $0.020 < 0.05$ , respectively) it is concluded that there is significant difference between brand equity perception and marital status as one of the demographic variables.

**5.6 Ho<sub>5</sub>: There is no media preference to know the sales promotion schemes information.**

**Ho<sub>51</sub>: There is no significance difference between media preference and gender.**

#### 5.24.1 Descriptive Statistics

	N	Percentiles		
		25th	50th (Median)	75th
Television	460	1.00	1.00	2.00
Newspaper	460	2.00	2.00	3.00
Point of Purchase Materials	460	3.00	4.00	6.00
Hoardings	460	3.00	5.00	6.00
Banners	460	4.00	4.00	6.00
Pamphlet	460	4.00	6.00	7.00
Wall Painting	460	5.00	6.00	7.00
Internet	460	5.00	8.00	8.00
SMS	12	2.00	3.00	9.00
Radio	25	1.50	6.00	9.00
Gender	460	1.00	1.00	2.00

5.24.2 Frequencies			
Gender			
		Male	Female
Television	> Median	116	61
	<= Median	165	118
Newspaper	> Median	76	77
	<= Median	205	102
Point of Purchase Materials	> Median	152	69
	<= Median	129	110
Hoardings	> Median	85	56
	<= Median	196	123
Banners	> Median	135	94
	<= Median	146	85
Pamphlet	> Median	101	63
	<= Median	180	116
Wall Painting	> Median	135	85
	<= Median	146	94
Internet	> Median	6	10
	<= Median	275	169
SMS	> Median	5	0
	<= Median	5	2
Radio	> Median	7	5
	<= Median	5	8

5.24.3 Test Statistics <sup>a</sup>										
	Telev ision	Newsp aper	Point of Purchas e Material s	Hoar dings	Bann ers	Pamph let	Wall Paintin g	Inter net	SMS	Radio
N	460	460	460	460	460	460	460	460	12	25
Median	1.00	2.00	4.00	5.00	4.00	6.00	6.00	8.00	3.00	6.00
Chi-Square	2.396	12.564	10.585	.055	.874	.027	.014	3.880		
Df	1	1	1	1	1	1	1	1		
Asymp. Sig.	.122	.000	.001	.814	.350	.870	.907	.049		
Yates' Chi- Continu Squar e ity	2.102	11.855	9.972	.017	.705	.004	.000	2.920		
Correct ion df	1	1	1	1	1	1	1	1		
Asym p. Sig.	.147	.001	.002	.896	.401	.949	.983	.088		
Exact Sig.									.470	.434

a. Grouping variable: Gender

From the calculated median values and test statistics, it can be summarized that newspaper and point of purchase material preference differs according to gender ( $0.001 < 0.005$  and  $0.002 < 0.005$ , respectively) to know the sales promotion schemes information. From above table, it can be referred that male prefers the newspaper and point of purchase material as a source of sales promotion schemes over female.

**H<sub>052</sub>: There is no significance difference between media preference and Employment status.**

<b>5.25.1 Ranks</b>			
	<b>Employment Status</b>	<b>N</b>	<b>Mean Rank</b>
Television	Self employed	106	245.32
	Government Employee	45	249.96
	Non Government employee	47	238.44
	Not employed	254	212.28
	Total	452	
Newspaper	Self employed	106	220.97
	Government Employee	45	194.69
	Non Government employee	47	220.76
	Not employed	254	235.51
	Total	452	
Point of Purchase Materials	Self employed	106	231.94
	Government Employee	45	244.43
	Non Government employee	47	226.53
	Not employed	254	221.05
	Total	452	
Hoardings	Self employed	106	242.08
	Government Employee	45	217.33
	Non Government employee	47	231.49
	Not employed	254	220.70
	Total	452	
Banners	Self employed	106	223.88
	Government Employee	45	230.52
	Non Government employee	47	204.35
	Not employed	254	230.98
	Total	452	
Pamphlet	Self employed	106	214.07
	Government Employee	45	210.66
	Non Government employee	47	219.71

	Not employed	254	235.75
	Total	452	
Wall Painting	Self employed	106	216.63
	Government Employee	45	217.37
	Non Government employee	47	237.55
	Not employed	254	230.19
	Total	452	
Internet	Self employed	106	233.40
	Government Employee	45	227.97
	Non Government employee	47	238.07
	Not employed	254	221.22
	Total	452	
SMS	Self employed	5	6.10
	Government Employee	1	8.00
	Non Government employee	1	4.00
	Not employed	5	7.10
	Total	12	
Radio	Self employed	5	12.20
	Government Employee	4	16.50
	Non Government employee	2	6.75
	Not employed	14	13.18
	Total	25	

### 5.25.2 Test Statistics

	Television	Newspaper	Point of Purchase Materials	Hoardings	Banners	Pamphlet	Wall Painting	Internet	SMS	Radio
Chi-Square	9.295	4.649	1.501	2.377	1.813	3.109	1.433	1.264	.904	2.534
Df	3	3	3	3	3	3	3	3	3	3
Asymp. Sig.	.026	.199	.682	.498	.612	.375	.698	.738	.824	.469

- Kruskal Wallis Test
- Grouping Variable : Employment status

### 5.25.3 Median Test:

#### Frequencies

			Employment Status			
			Self employed	Government Employee	Non Government employee	Not employed
Television	> Median		51	21	20	83
	<= Median		55	24	27	171
Newspaper	> Median		36	11	15	88
	<= Median		70	34	32	166
Point of Purchase Materials	> Median		54	22	21	118
	<= Median		52	23	26	136
Hoardings	> Median		41	12	18	69
	<= Median		65	33	29	185

Banners	> Median	29	14	7	80
	<= Median	77	31	40	174
Pamphlet	> Median	34	18	14	97
	<= Median	72	27	33	157
Wall Painting	> Median	46	18	25	126
	<= Median	60	27	22	128
Internet	> Median	3	2	3	8
	<= Median	103	43	44	246
SMS	> Median	2	1	0	2
	<= Median	3	0	1	3
Radio	> Median	2	3	0	7
	<= Median	3	1	2	7

From the calculated median values and test statistics, it can be summarized that television preference differs according to employment status ( $0.026 < 0.005$ ) to know the sales promotion schemes information. Also it can be known from the median ranking the customers who are not employed prefer television to be aware about the sales promotion schemes.

**Ho<sub>53</sub>: There is no significance difference between media preference and Educational qualifications.**

**Kruskal Wallis Test:**

**5.26.1 Ranks**

Educational Qualification		N	Mean Rank
Television	Below primary	15	224.63
	Primary	42	216.26
	Higher secondary	76	231.28
	Graduate	199	239.01
	Post graduate	122	220.28
	Above postgraduate	6	260.42
	Total	460	
Newspaper	Below primary	15	327.70
	Primary	42	243.70
	Higher secondary	76	244.66
	Graduate	199	222.61
	Post graduate	122	221.41
	Above postgraduate	6	162.17
	Total	460	
Point of Purchase Materials	Below primary	15	154.03
	Primary	42	210.27
	Higher secondary	76	221.85
	Graduate	199	232.71
	Post graduate	122	246.58
	Above postgraduate	6	272.50
	Total	460	
Hoardings	Below primary	15	286.07
	Primary	42	224.31
	Higher secondary	76	238.95
	Graduate	199	222.54
	Post graduate	122	234.14



	Above postgraduate	6	218.08
	Total	460	
Banners	Below primary	15	152.07
	Primary	42	243.74
	Higher secondary	76	216.53
	Graduate	199	226.64
	Post graduate	122	248.91
	Above postgraduate	6	264.50
	Total	460	
Pamphlet	Below primary	15	247.37
	Primary	42	219.63
	Higher secondary	76	227.24
	Graduate	199	231.38
	Post graduate	122	229.29
	Above postgraduate	6	300.92
	Total	460	
Wall Painting	Below primary	15	114.77
	Primary	42	188.11
	Higher secondary	76	198.55
	Graduate	199	242.84
	Post graduate	122	260.75
	Above postgraduate	6	196.83
	Total	460	
Internet	Below primary	15	323.43
	Primary	42	288.98
	Higher secondary	76	260.91
	Graduate	199	225.33
	Post graduate	122	192.77
	Above postgraduate	6	142.33
	Total	460	
SMS	Primary	2	2.75
	Higher secondary	2	6.00
	Graduate	5	7.10
	Post graduate	3	8.33

Total		12	
Radio	Below primary	1	7.00
	Primary	2	3.50
	Higher secondary	3	10.00
	Graduate	12	14.00
	Post graduate	7	16.14
	Total	25	

### 5.26.2 Test Statistics<sup>ab</sup>:

	Television	News paper	Point of Purchase Materials	Hoard ings	Banners	Pamphlet	Wall Painting	Internet	SMS	Radio
Chi-Square	3.112	13.594	8.853	4.008	9.806	2.334	29.876	37.643	3.301	6.291
Df	5	5	5	5	5	5	5	5	3	4
Asymp. Sig.	.683	.018	.115	.548	.081	.801	.000	.000	.348	.178

a. Kruskal Wallis Test

b. Grouping Variable: Educational Qualification

### 5.26.3 Frequencies:

		Educational Qualification					
		Below primary	Primary	Higher secondary	Graduate	Post graduate	Above postgraduate
Television	> Median	6	14	30	83	41	3
	<= Median	9	28	46	116	81	3
Newspaper	> Median	10	15	29	62	36	1
	<= Median	5	27	47	137	86	5
Point of Purchase	> Median	5	17	34	99	63	3

Materials	<= Median	10	25	42	100	59	3
Hoardings	> Median	7	14	30	52	35	3
	<= Median	8	28	46	147	87	3
Banners	> Median	3	20	34	98	70	4
	<= Median	12	22	42	101	52	2
Pamphlet	> Median	6	12	25	76	42	3
	<= Median	9	30	51	123	80	3
Wall Painting	> Median	3	13	30	100	72	2
	<= Median	12	29	46	99	50	4
Internet	> Median	1	2	4	6	3	0
	<= Median	14	40	72	193	119	6
SMS	> Median	0	0	1	2	2	0
	<= Median	0	2	1	3	1	0
Radio	> Median	0	0	1	7	4	0
	<= Median	1	2	2	5	3	0

From the calculated median values and test statistics, it can be summarized that Wall paintings and internet preference differs according to educational qualifications ( $0.000 < 0.005$  &  $0.000 < 0.005$ ) to know the sales promotion schemes information. The relationship is also confirmed by the cross tabulation as shown below.

### 5.26.4 Crosstab

			Wall Painting							Total	
			Second Preference	Third Preference	Fourth Preference	Fifth Preference	Sixth Preference	Seventh Preference	Eighth Preference		Ninth Preference
Educational Qualification	Below primary	% within Educational Qualification	13.3 %	20.0 %	20.0 %	20.0 %	6.7 %	20.0 %	.0 %	.0 %	100.0 %
	Primary	% within Educational Qualification	.0 %	7.1 %	14.3 %	28.6 %	19.0 %	19.0 %	11.9 %	.0 %	100.0 %
	Higher secondary	% within Educational Qualification	5.3 %	9.2 %	7.9 %	17.1 %	21.1 %	31.6 %	7.9 %	.0 %	100.0 %
	Graduate	% within Educational Qualification	1.5 %	3.0 %	9.0 %	10.1 %	26.1 %	33.7 %	15.6 %	1.0 %	100.0 %
	Post graduate	% within Educational Qualification	2.5 %	2.5 %	9.0 %	10.7 %	16.4 %	34.4 %	23.8 %	.8 %	100.0 %
	Above postgraduate	% within Educational Qualification	.0 %	.0 %	33.3 %	33.3 %	.0 %	.0 %	33.3 %	.0 %	100.0 %
Total			2.6 %	4.8 %	10.0 %	13.7 %	21.1 %	31.3 %	15.9 %	.7 %	100.0 %

5.26.5 Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	68.060	35	<b>.001</b>
Likelihood Ratio	65.974	35	<b>.001</b>
Linear-by-Linear Association	24.234	1	<b>.000</b>
N of Valid Cases	460		

5.26.6 Crosstab										
	Internet									Total
	First Preference	Second Preference	Third Preference	Fourth Preference	Fifth Preference	Sixth Preference	Seventh Preference	Eighth Preference	Ninth Preference	
Educational Qualification Below primary % within Educational Qualification	.0%	.0%	.0%	.0%	.0%	.0%	6.7%	86.7%	6.7%	100.0%
Primary % within Educational Qualification	.0%	2.4%	.0%	.0%	2.4%	4.8%	14.3%	71.4%	4.8%	100.0%
Higher										

second ary	% within Educational Qualifi- cation	1.3%	5.3%	5.3%	5.3%	2.6%	2.6%	9.2%	63.2%	5.3%	100.0%
Gradu- ate	% within Educational Qualifi- cation	5.0%	3.0%	9.5%	4.0%	5.5%	8.5%	10.6%	50.8%	3.0%	100.0%
Post gradua- te	% within Educational Qualifi- cation	2.5%	9.0%	11.5%	9.0%	7.4%	9.0%	10.7%	38.5%	2.5%	100.0%
Above postgr- aduate	% within Educational Qualifi- cation	.0%	16.7%	.0%	16.7%	.0%	50.0%	.0%	16.7%	.0%	100.0%
Total	% within Educational Qualifi- cation	3.0%	5.0%	8.0%	5.2%	5.0%	7.6%	10.4%	52.2%	3.5%	100.0%

<b>5.26.7 Chi-Square Tests</b>			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	70.756	40	.002
Likelihood Ratio	74.875	40	.001
Linear-by-Linear Association	32.706	1	.000
N of Valid Cases	460		
.			
<b>Ho<sub>54</sub>: There is no significance difference between media preference and family income.</b>			
<b>5.27.1 Ranks</b>			
	Family Income	N	Mean Rank
Television	Below 1 lakh	82	215.98
	1 to 2 lakh	148	221.46
	2 to 3 lakh	102	235.05
	3 to 4 lakh	58	237.28
	4 to 5 lakh	32	279.91
	Above 5 lakh	38	232.86
	Total	460	
Newspaper	Below 1 lakh	82	245.70
	1 to 2 lakh	148	245.71
	2 to 3 lakh	102	223.87
	3 to 4 lakh	58	196.68
	4 to 5 lakh	32	189.11
	Above 5 lakh	38	242.72
	Total	460	
Point of Purchase Materials	Below 1 lakh	82	217.29
	1 to 2 lakh	148	255.46
	2 to 3 lakh	102	216.82
	3 to 4 lakh	58	214.89
	4 to 5 lakh	32	192.02
	Above 5 lakh	38	254.76

	Total	460	
Hoardings	Below 1 lakh	82	254.98
	1 to 2 lakh	148	207.20
	2 to 3 lakh	102	243.87
	3 to 4 lakh	58	247.12
	4 to 5 lakh	32	245.61
	Above 5 lakh	38	194.46
	Total	460	
Banners	Below 1 lakh	82	226.43
	1 to 2 lakh	148	192.33
	2 to 3 lakh	102	240.91
	3 to 4 lakh	58	277.91
	4 to 5 lakh	32	282.30
	Above 5 lakh	38	244.04
	Total	460	
Pamphlet	Below 1 lakh	82	235.73
	1 to 2 lakh	148	231.44
	2 to 3 lakh	102	242.45
	3 to 4 lakh	58	228.94
	4 to 5 lakh	32	192.31
	Above 5 lakh	38	218.03
	Total	460	
Wall Painting	Below 1 lakh	82	180.39
	1 to 2 lakh	148	224.90
	2 to 3 lakh	102	257.44
	3 to 4 lakh	58	236.59
	4 to 5 lakh	32	235.02
	Above 5 lakh	38	275.03
	Total	460	
Internet	Below 1 lakh	82	259.38
	1 to 2 lakh	148	231.89
	2 to 3 lakh	102	208.00
	3 to 4 lakh	58	243.09
	4 to 5 lakh	32	246.19



	Above 5 lakh	38	190.72
	Total	460	
SMS	1 to 2 lakh	5	6.90
	2 to 3 lakh	4	5.00
	3 to 4 lakh	1	6.50
	4 to 5 lakh	1	10.50
	Above 5 lakh	1	6.50
	Total	12	
Radio	Below 1 lakh	6	9.25
	1 to 2 lakh	4	18.00
	2 to 3 lakh	7	13.21
	3 to 4 lakh	4	12.75
	4 to 5 lakh	2	18.00
	Above 5 lakh	2	9.00
	Total	25	

### 5.27.2 Test Statistics<sup>a,b</sup>

	Televisi on	Newspa per	Point of Purcha se Materi als	Hoardin gs	Banne rs	Pamphl et	Wall Painti ng	Intern et	SM S	Radi o
Chi-Square	8.415	11.678	12.066	12.893	26.697	4.052	21.554	13.066	2.102	5.173
Df	5	5	5	5	5	5	5	5	4	5
Asymp. Sig.	.135	.039	.034	.024	.000	.542	.001	.023	.717	.395

a. Kruskal Wallis Test

c. Grouping Variable: Family  
Income

### 5.27.3 Frequencies

		Family Income					
		Below 1 lakh	1 to 2 lakh	2 to 3 lakh	3 to 4 lakh	4 to 5 lakh	Above 5 lakh
Television	> Median	27	50	40	26	19	15
	<= Median	55	98	62	32	13	23
Newspaper	> Median	29	55	30	16	9	14
	<= Median	53	93	72	42	23	24
Point of Purchase Materials	> Median	35	85	47	21	10	23
	<= Median	47	63	55	37	22	15
Hoardings	> Median	33	39	34	18	9	8
	<= Median	49	109	68	40	23	30
Banners	> Median	38	55	51	41	23	21
	<= Median	44	93	51	17	9	17
Pamphlet	> Median	30	52	41	22	7	12
	<= Median	52	96	61	36	25	26
Wall Painting	> Median	26	69	57	26	18	24
	<= Median	56	79	45	32	14	14
Internet	> Median	4	3	5	3	1	0
	<= Median	78	145	97	55	31	38
SMS	> Median	0	3	1	0	1	0
	<= Median	0	2	3	1	0	1
Radio	> Median	2	3	3	1	2	1
	<= Median	4	1	4	3	0	1

From the calculated median values and test statistics, it can be summarized that banners, Wall paintings, News paper, Point of purchase material, Hoarding and Internet preference differs according to family income ( $0.000 < 0.05$ ,  $0.001 < 0.05$ ,  $0.039 < 0.05$ ,  $0.034 < 0.05$ ,  $0.024 < 0.05$  and  $0.023 < 0.05$ ) to know the sales promotion schemes information.

The relationship is also confirmed by the cross tabulation as shown below.

5.27.4 Crosstab									
	Banners								Total
	First Preference	Second Preference	Third Preference	Fourth Preference	Fifth Preference	Sixth Preference	Seventh Preference	Eighth Preference	
Family Income below 1 lakh	.0%	3.7%	18.3%	31.7%	17.1%	20.7%	4.9%	3.7%	100.0%
1 to 2 lakh	4.1%	5.4%	18.2%	35.1%	20.9%	10.8%	5.4%	.0%	100.0%
2 to									

3 % lakh withi n Fami ly Inco me	.0%	4.9%	15.7%	29.4%	14.7%	19.6%	12.7%	2.9%	100. 0%
3 to 4 % lakh withi n Fami ly Inco me	.0%	.0%	10.3%	19.0%	32.8%	25.9%	8.6%	3.4%	100. 0%
4 to 5 % lakh withi n Fami ly Inco me	.0%	.0%	18.8%	9.4%	28.1%	21.9%	15.6%	6.2%	100. 0%
Abo ve 5 % lakh withi n Fami ly Inco me	.0%	5.3%	13.2%	26.3%	26.3%	13.2%	10.5%	5.3%	100. 0%
Total  % withi n Fami ly Inco me	1.3%	3.9%	16.3%	28.7%	21.3%	17.4%	8.5%	2.6%	100. 0%

5.27.5 Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	57.626	35	.009
Likelihood Ratio	66.581	35	.001
Linear-by-Linear Association	12.102	1	.001
N of Valid Cases	460		

**Ho<sub>56</sub>: There is no significance difference between media preference and family type**

### 5.28.1 Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25th	50th (Median)	75 <sup>th</sup>
Television	460	1.80	1.446	1	8	1.00	1.00	2.00
Newspaper	460	2.53	1.494	1	7	2.00	2.00	3.00
Point of Purchase Materials	460	4.50	2.114	1	9	3.00	4.00	6.00
Hoardings	460	4.68	1.636	1	8	3.00	5.00	6.00
Banners	460	4.64	1.457	1	8	4.00	4.00	6.00
Pamphlet	460	5.55	1.777	1	9	4.00	6.00	7.00
Wall Painting	460	6.07	1.547	2	9	5.00	6.00	7.00
Internet	460	6.50	2.192	1	9	5.00	8.00	8.00
SMS	12	4.83	3.563	1	9	2.00	3.00	9.00
Radio	25	5.48	3.318	1	9	1.50	6.00	9.00
Family Type	460	1.72	.450	1	2	1.00	2.00	2.00

### 5.28.2 Ranks

	Family Type	N	Mean Rank	Sum of Ranks
Television	Joint Family	129	245.44	31661.50
	Individual Family	331	224.68	74368.50
	Total	460		
Newspaper	Joint Family	129	219.60	28328.00
	Individual Family	331	234.75	77702.00
	Total	460		
Point of Purchase Materials	Joint Family	129	247.45	31921.00
	Individual Family	331	223.89	74109.00
	Total	460		
Hoardings	Joint Family	129	213.06	27484.50
	Individual Family	331	237.30	78545.50
	Total	460		
Banners	Joint Family	129	220.86	28491.00
	Individual Family	331	234.26	77539.00
	Total	460		
Pamphlet	Joint Family	129	237.14	30591.50
	Individual Family	331	227.91	75438.50
	Total	460		
Wall Painting	Joint Family	129	232.96	30052.00
	Individual Family	331	229.54	75978.00
	Total	460		
Internet	Joint Family	129	234.77	30285.00
	Individual Family	331	228.84	75745.00
	Total	460		

SMS	Joint Family	4	6.00	24.00
	Individual Family	8	6.75	54.00
	Total	12		
Radio	Joint Family	6	6.25	37.50
	Individual Family	19	15.13	287.50
	Total	25		

5.28.3 Test Statistics <sup>b</sup>										
	Televis ion	New spap er	Point of Purcha se Materia ls	Hoardi ngs	Banner s	Pamphl et	Wall Paintin g	Internet	SMS	Radio
Mann-Whitney U	19422.500	19943.000	19163.000	19099.500	20106.000	20492.500	21032.000	20799.000	14.000	16.500
Wilcoxon W	74368.500	28328.000	74109.000	27484.500	28491.000	75438.500	75978.000	75745.000	24.000	37.500
Z	-1.730	-1.161	-1.722	-1.786	-.993	-.678	-.254	-.465	-.350	-2.640
Asymp. Sig. (2-tailed)	.084	.245	.085	.074	.321	.497	.799	.642	.727	.008
Exact Sig. [2*(1-tailed Sig.)]									.808 <sub>a</sub>	.007 <sup>a</sup>

a. Not corrected for ties

b. Grouping variable: Family Type

### 5.28.4 Two-Sample Kolmogorov-Smirnov Test

Test Statistics<sup>a</sup>

		Televis ion	Newspa per	Point of Purcha se Materi als	Hoardi ngs	Bann ers	Pamph let	Wall Painti ng	Inter net	SMS	Radi o
Most Absol		.090	.064	.130	.114	.067	.041	.036	.059	.125	.632
Extreme ute											
Differen Positi		.090	.000	.130	.007	.051	.041	.027	.059	.125	.000
ces ve											
Negati		-.012	-.064	-.007	-.114	-.067	-.027	-.036	-.013	-.125	-.632
ve											
Kolmogorov-		.868	.621	1.248	1.094	.647	.391	.344	.569	.204	1.34
Smirnov Z											9
Asymp. Sig.		.438	.835	.089	.182	.796	.998	1.000	.902	1.00	
(2-tailed)										0	.053

Grouping Variable: Family Type

From the calculated Mann Whitney and Two sample Kolmogorov - Smirnov statistics, it can be summarized that there is no significance difference among media considering family type.



**H<sub>057</sub>: There is no significance difference between media preference and marital status.**

### 5.29.1 Descriptive Statistics

	N	Percentiles		
		25 <sup>th</sup>	50th (Median)	75th
Television	460	1.00	1.00	2.00
Newspaper	460	2.00	2.00	3.00
Point of Purchase Materials	460	3.00	4.00	6.00
Hoardings	460	3.00	5.00	6.00
Banners	460	4.00	4.00	6.00
Pamphlet	460	4.00	6.00	7.00
Wall Painting	460	5.00	6.00	7.00
Internet	460	5.00	8.00	8.00
SMS	12	2.00	3.00	9.00
Radio	25	1.50	6.00	9.00
Marital Status	460	1.00	1.00	2.00

### 5.29.2 Ranks

	Marital Status	N	Mean Rank	Sum of Ranks
Television	Married	231	243.04	56142.00
	Unmarried	229	217.85	49888.00
	Total	460		
Newspaper	Married	231	226.17	52246.00
	Unmarried	229	234.86	53784.00
	Total	460		
Point of Purchase Materials	Married	231	212.95	49191.50
	Unmarried	229	248.20	56838.50
	Total	460		

Hoardings	Married	231	240.12	55467.50
	Unmarried	229	220.80	50562.50
	Total	460		
Banners	Married	231	224.19	51789.00
	Unmarried	229	236.86	54241.00
	Total	460		
Pamphlet	Married	231	219.28	50654.50
	Unmarried	229	241.81	55375.50
	Total	460		
Wall Painting	Married	231	214.95	49653.00
	Unmarried	229	246.19	56377.00
	Total	460		
Internet	Married	231	265.30	61285.00
	Unmarried	229	195.39	44745.00
	Total	460		
SMS	Married	5	5.10	25.50
	Unmarried	7	7.50	52.50
	Total	12		
Radio	Married	15	10.97	164.50
	Unmarried	10	16.05	160.50
	Total	25		

5.29.3 Test Statistics <sup>b</sup>										
	Televis ion	Newspa per	Point of Purcha se Materi als	Hoardi ngs	Banner s	Pamphl et	Wall Paintin g	Interne t	SM S	Radi o
Mann-Whitney U	23553.000	25450.000	22395.500	24227.500	24993.000	23858.500	22857.000	18410.000	10.500	44.500
Wilcoxon Z	49888.000	52246.000	49191.500	50562.500	51789.000	50654.500	49653.000	44745.000	25.500	164.500
	-2.336	-.742	-2.869	-1.585	-1.045	-1.843	-2.582	-6.098	1.170	1.733
Asym p. Sig. (2-tailed)	.019	.458	.004	.113	.296	.065	.010	.000	.242	.083
Exact Sig. [2*(1-tailed Sig.)]									.268 <sub>a</sub>	.091 <sup>a</sup>

a. Not corrected for tie

b. Grouping Variable Marital status.

#### 5.29.4 Frequencies

	Marital Status	N
Television	Married	231
	Unmarried	229
	Total	460
Newspaper	Married	231
	Unmarried	229
	Total	460

Point of Purchase Materials	Married	231
	Unmarried	229
	Total	460
Hoardings	Married	231
	Unmarried	229
	Total	460
Banners	Married	231
	Unmarried	229
	Total	460
Pamphlet	Married	231
	Unmarried	229
	Total	460
Wall Painting	Married	231
	Unmarried	229
	Total	460
Internet	Married	231
	Unmarried	229
	Total	460
SMS	Married	5
	Unmarried	7
	Total	12
Radio	Married	15
	Unmarried	10
	Total	25

5.29.5 Test Statistics <sup>a</sup>											
		Televi sion	Newsp aper	Point of Purcha se Materi als	Hoard ings	Bann ers	Pamph let	Wall Paintin g	Inter net	SMS	Rad io
Most	Absol	.123	.133	.166	.094	.050	.081	.091	.273	.400	.500
Extreme	ute										
Differen	Positi	.009	.133	.166	.048	.050	.081	.091	.000	.000	.500
ces	ve										
	Negati	-.123	-.060	-.005	-.094	-.026	.000	.000	-.273	-.400	.000
	ve										
Kolmogorov-		1.316	1.425	1.784	1.005	.539	.873	.977	2.93	.683	1.22
Smirnov Z									2		5
Asymp. Sig. (2-		.063	.034	.003	.265	.933	.432	.295	.000	.739	.100
tailed)											

a. Grouping Variable: Marital status

From the calculated Mann Whitney and Two sample Kolmogorov - Smirnov statistics, it can be summarized that there is significance difference among media preference, particularly point of purchase material and internet considering marital status. Also it is clear from the rank statistics unmarried prefer point of purchase over married and married prefer internet over unmarried.

### 5.30 Sales Promotion Scheme Preference:

For running conjoint analysis to study the consumer preference of sales promotion schemes orthogonal study of selecting various sales promotion schemes has been done. Result of the same study is presented below. Consumer preference of sales promotion schemes is rated on the mentioned sales promotion schemes. Scheme statistics, specifically frequency and measure of central tendency is also presented.

Details of the Sales Promotion Schemes are provided below.

Sales Promotion Scheme	Brand Type	Awareness	Sales Promotion Types	Incentive Types
SPS1	International	Point of Purchase Material	Value added	Delayed
SPS2	National	Word of mouth Publicity	Value added	Immediate
SPS3	International	Word of mouth Publicity	Price off	Immediate
SPS4	Local	Mass Media	Value added	Immediate
SPS5	Local	Word of mouth Publicity	Price off	Delayed
SPS6	National	Point of Purchase Material	Price off	Immediate
SPS7	National	Mass Media	Price off	Delayed
SPS8	Local	Point of Purchase Material	Price off	Immediate
SPS9	International	Mass Media	Price off	Immediate
SPS10	International	Mass Media	Price off	Delayed
SPS11	Local	Mass Media	Price off	Delayed
SPS12	Local	Point of Purchase Material	Price off	Delayed
SPS13	National	Mass Media	Price off	Immediate

### 5.31 Statistics

		SPS1	SPS2	SPS3	SPS4	SPS5	SPS6	SPS7	SPS8	SPS9	SPS10	SPS11	SPS12	SPS13
N	Valid	460	460	460	460	460	460	460	460	460	460	459	460	460
	Missing	0	0	0	0	0	0	0	0	0	0	1	0	0
Median		5.00	3.00	2.00	4.00	5.00	3.00	10.00	9.00	8.00	11.00	13.00	12.00	7.00
Mode		6	3	1	4	6	2	10	9	8	11	13	12	7
Std. Deviation		1.489	1.316	1.550	1.581	1.443	1.388	.992	.862	.567	.794	.952	.812	.593
Skewness		-.936	.313	.737	-.144	-.931	.378	-.009	.262	-.007	.301	-1.756	-.590	1.547
Std. Error of Skewness		.114	.114	.114	.114	.114	.114	.114	.114	.114	.114	.114	.114	.114
Kurtosis		-.152	-.659	-.671	1.061	-.321	-.709	2.013	3.158	.122	-.299	1.647	.060	1.311
Std. Error of Kurtosis		.227	.227	.227	.227	.227	.227	.227	.227	.227	.227	.227	.227	.227
Percentiles	25	4.00	2.00	1.00	2.00	4.00	2.00	10.00	9.00	8.00	11.00	12.00	11.00	7.00
	50	5.00	3.00	2.00	4.00	5.00	3.00	10.00	9.00	8.00	11.00	13.00	12.00	7.00
	75	6.00	4.00	4.00	5.00	6.00	4.00	11.00	9.00	8.00	12.00	13.00	12.00	8.00

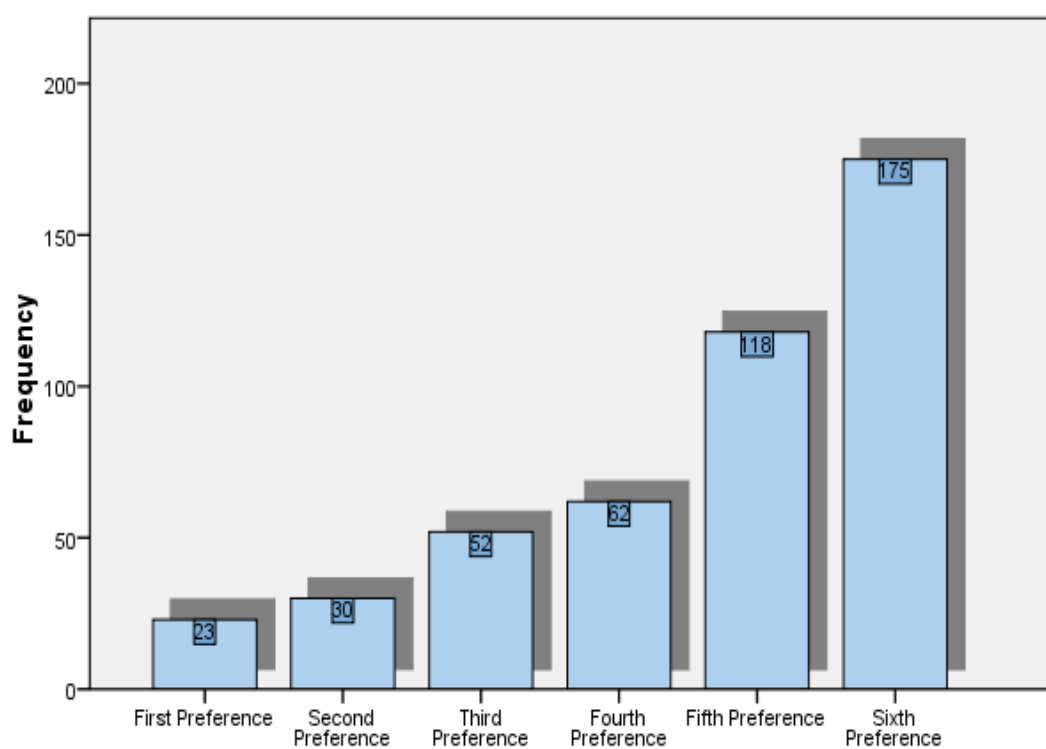
## 5.7 Frequency analysis of Type of Sales Promotion Schemes and Demographic variables.

### 5.32 Frequency:

SPS1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Preference	23	5.0	5.0	5.0
	Second Preference	30	6.5	6.5	11.5
	Third Preference	52	11.3	11.3	22.8
	Fourth Preference	62	13.5	13.5	36.3
	Fifth Preference	118	25.7	25.7	62.0
	Sixth Preference	175	38.0	38.0	100.0
	Total	460	100.0	100.0	

SPS1



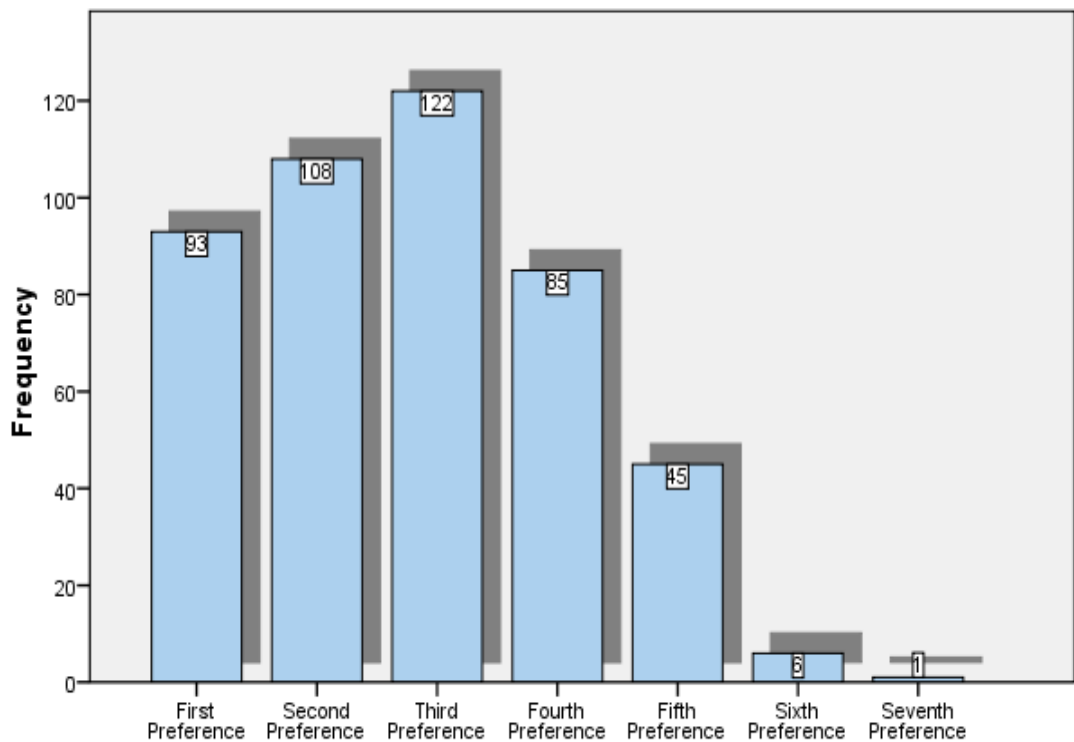
SPS1



### 5.33 SPS2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Preference	93	20.2	20.2	20.2
	Second Preference	108	23.5	23.5	43.7
	Third Preference	122	26.5	26.5	70.2
	Fourth Preference	85	18.5	18.5	88.7
	Fifth Preference	45	9.8	9.8	98.5
	Sixth Preference	6	1.3	1.3	99.8
	Seventh Preference	1	.2	.2	100.0
	Total	460	100.0	100.0	

### SPS2

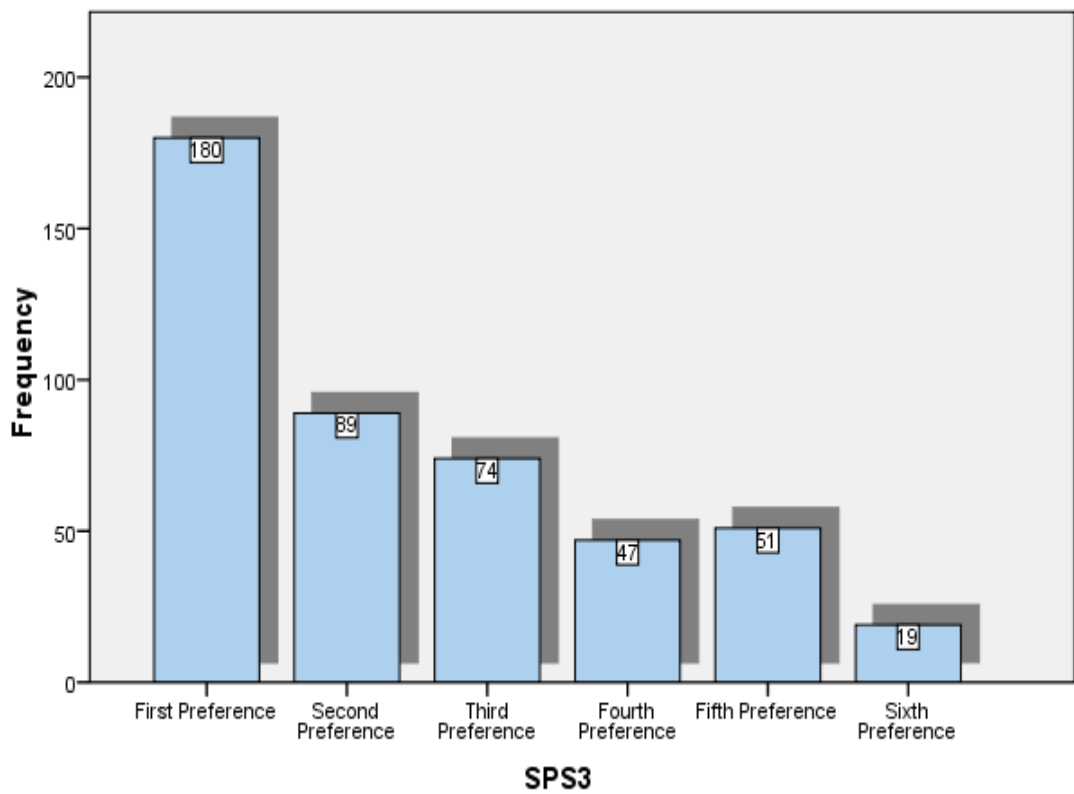


### SPS2

### 5.34 SPS3

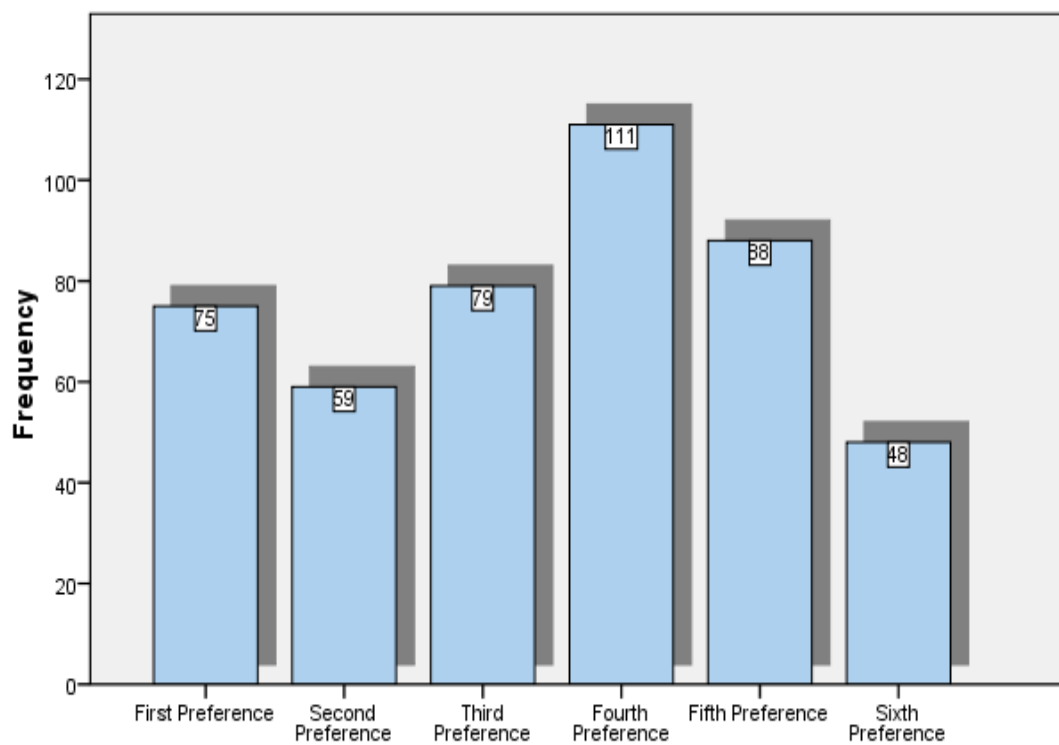
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Preference	180	39.1	39.1	39.1
	Second Preference	89	19.3	19.3	58.5
	Third Preference	74	16.1	16.1	74.6
	Fourth Preference	47	10.2	10.2	84.8
	Fifth Preference	51	11.1	11.1	95.9
	Sixth Preference	19	4.1	4.1	100.0
	Total	460	100.0	100.0	

### SPS3



5.35 SPS4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Preference	75	16.3	16.3	16.3
	Second Preference	59	12.8	12.8	29.1
	Third Preference	79	17.2	17.2	46.3
	Fourth Preference	111	24.1	24.1	70.4
	Fifth Preference	88	19.1	19.1	89.6
	Sixth Preference	48	10.4	10.4	100.0
	Total	460	100.0	100.0	

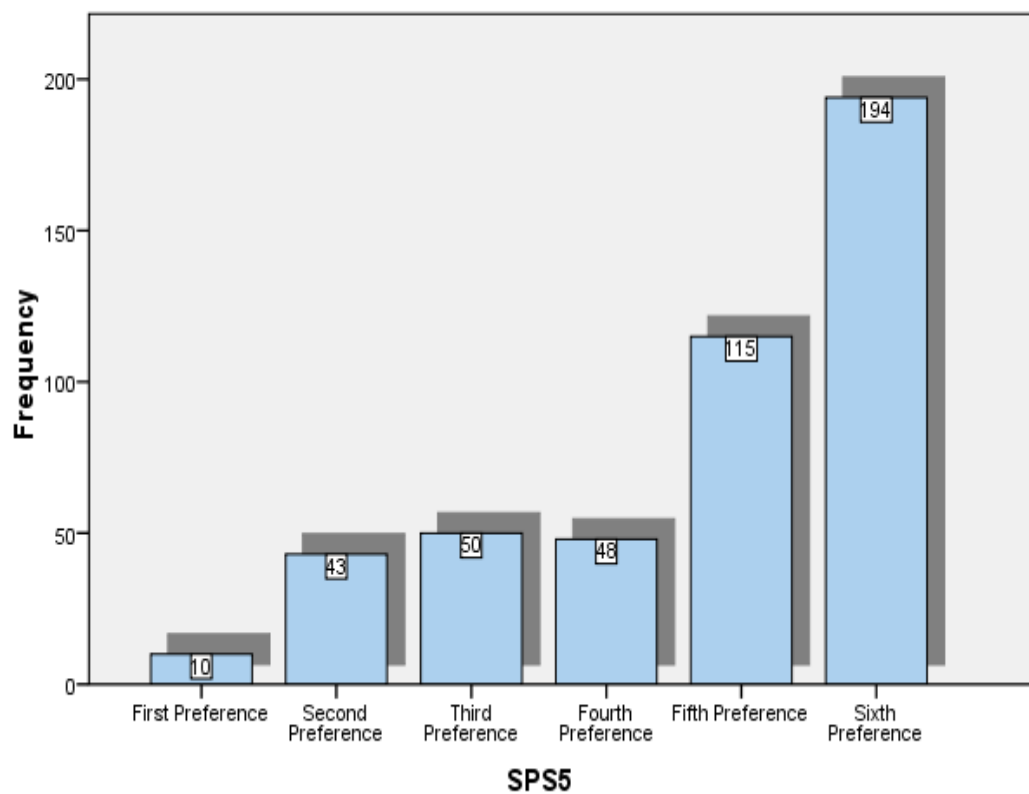
**SPS4**



**SPS4**

5.36 SPS5					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Preference	10	2.2	2.2	2.2
	Second Preference	43	9.3	9.3	11.5
	Third Preference	50	10.9	10.9	22.4
	Fourth Preference	48	10.4	10.4	32.8
	Fifth Preference	115	25.0	25.0	57.8
	Sixth Preference	194	42.2	42.2	100.0
	Total	460	100.0	100.0	

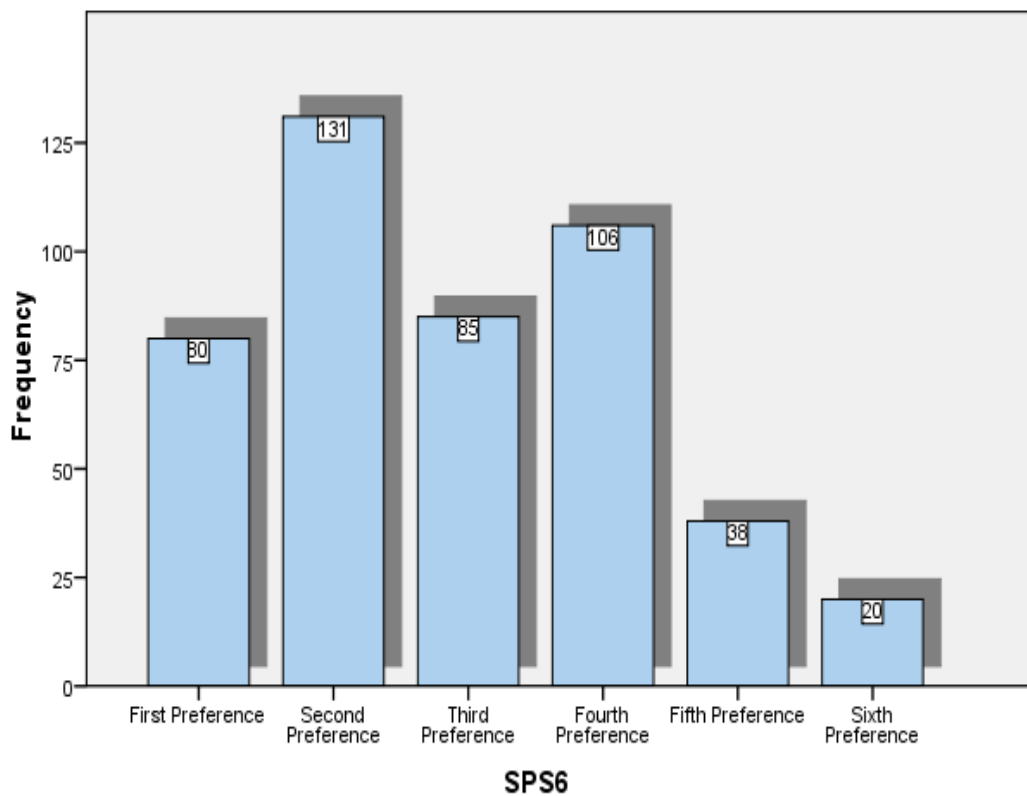
SPS5



### 5.37 SPS6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Preference	80	17.4	17.4	17.4
	Second Preference	131	28.5	28.5	45.9
	Third Preference	85	18.5	18.5	64.3
	Fourth Preference	106	23.0	23.0	87.4
	Fifth Preference	38	8.3	8.3	95.7
	Sixth Preference	20	4.3	4.3	100.0
	Total	460	100.0	100.0	

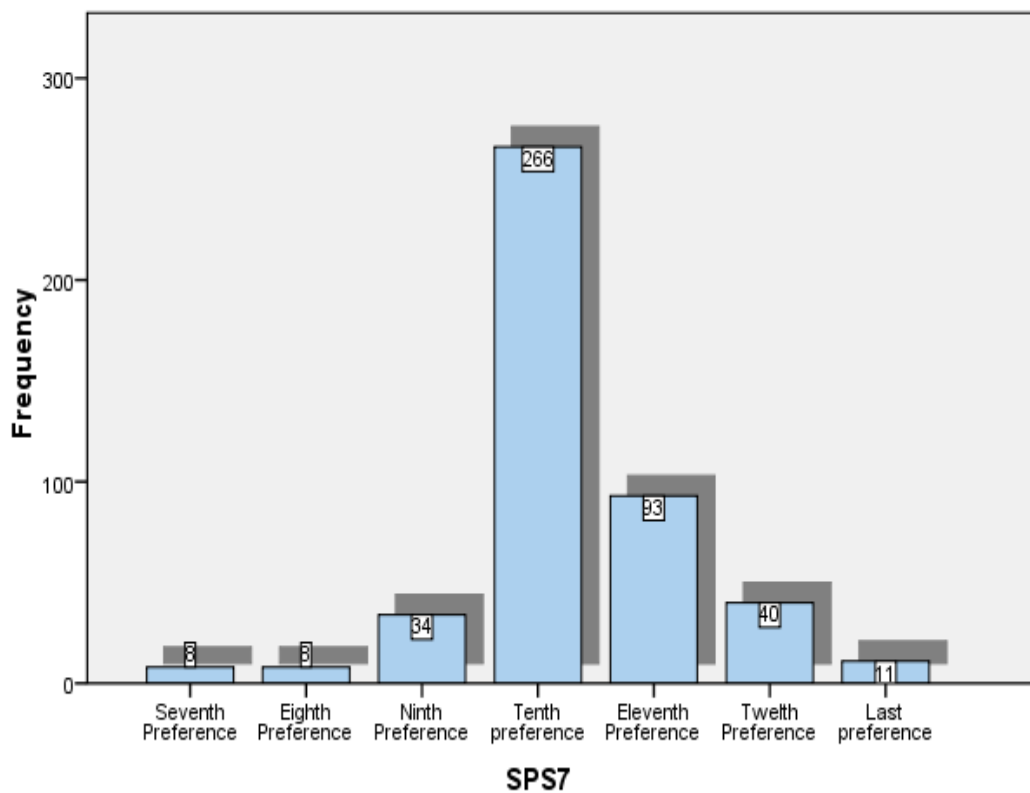
### SPS6



### 5.38 SPS7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Seventh Preference	8	1.7	1.7	1.7
	Eighth Preference	8	1.7	1.7	3.5
	Ninth Preference	34	7.4	7.4	10.9
	Tenth preference	266	57.8	57.8	68.7
	Eleventh Preference	93	20.2	20.2	88.9
	Twelfth Preference	40	8.7	8.7	97.6
	Last preference	11	2.4	2.4	100.0
	Total	460	100.0	100.0	

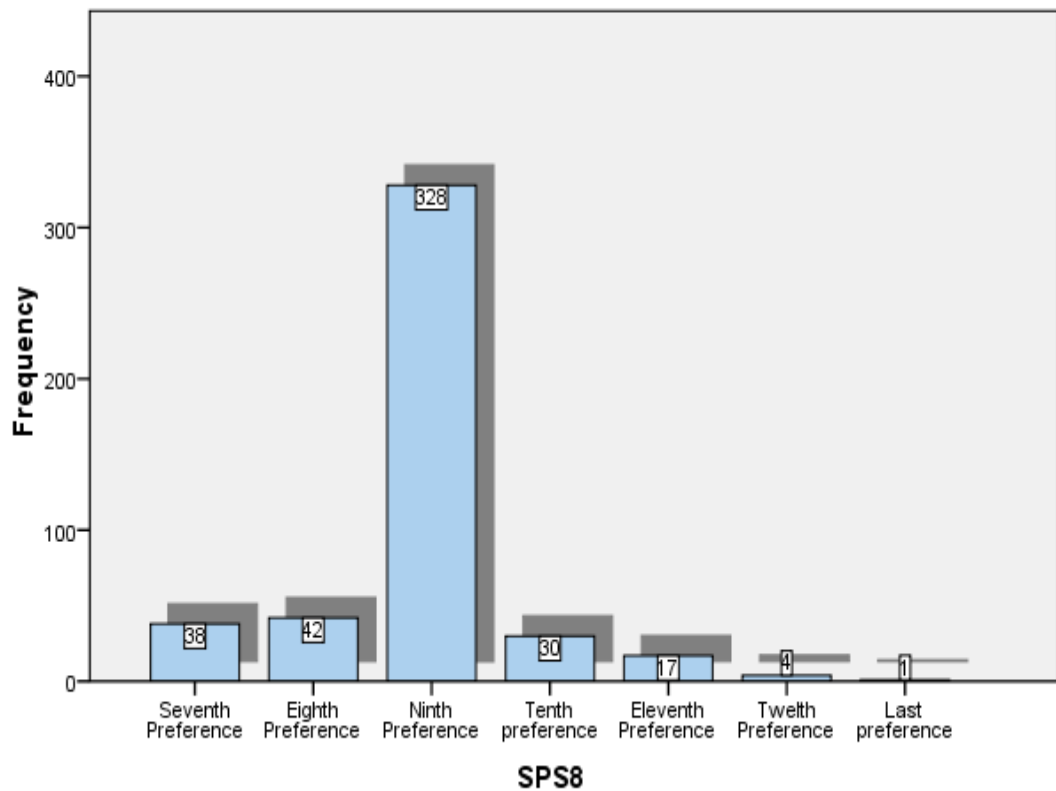
### SPS7



### 5.39 SPS8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Seventh Preference	38	8.3	8.3	8.3
	Eighth Preference	42	9.1	9.1	17.4
	Ninth Preference	328	71.3	71.3	88.7
	Tenth preference	30	6.5	6.5	95.2
	Eleventh Preference	17	3.7	3.7	98.9
	Twelfth Preference	4	.9	.9	99.8
	Last preference	1	.2	.2	100.0
	Total	460	100.0	100.0	

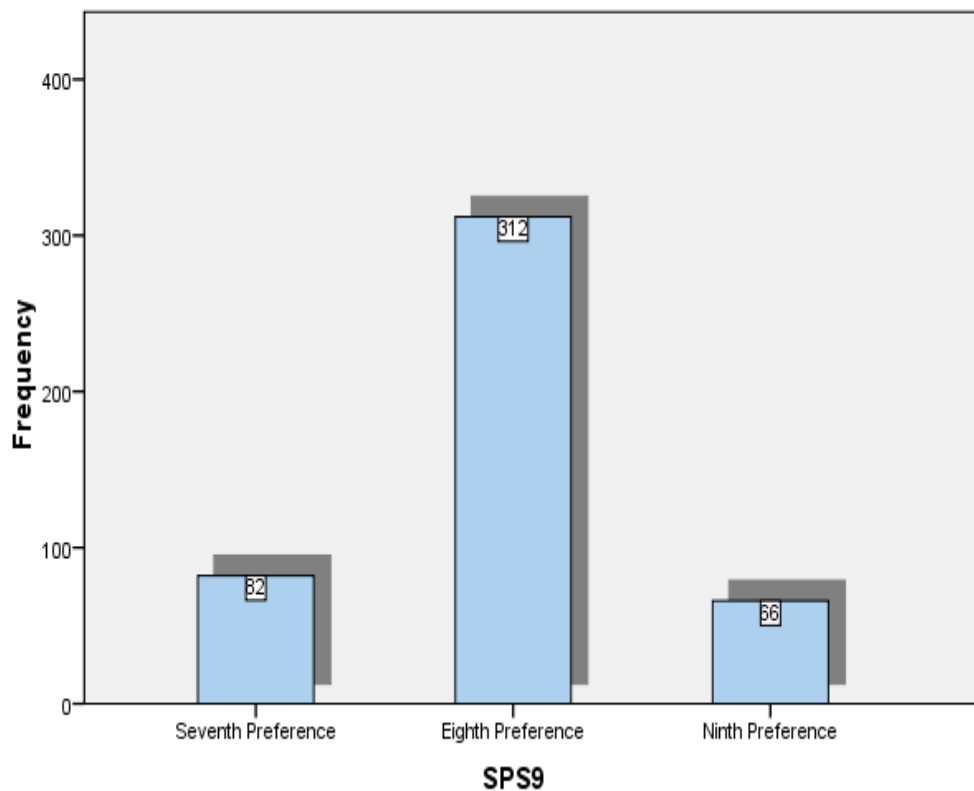
### SPS8



#### 5.40 SPS9

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Seventh Preference	82	17.8	17.8	17.8
	Eighth Preference	312	67.8	67.8	85.7
	Ninth Preference	66	14.3	14.3	100.0
	Total	460	100.0	100.0	

#### SPS9

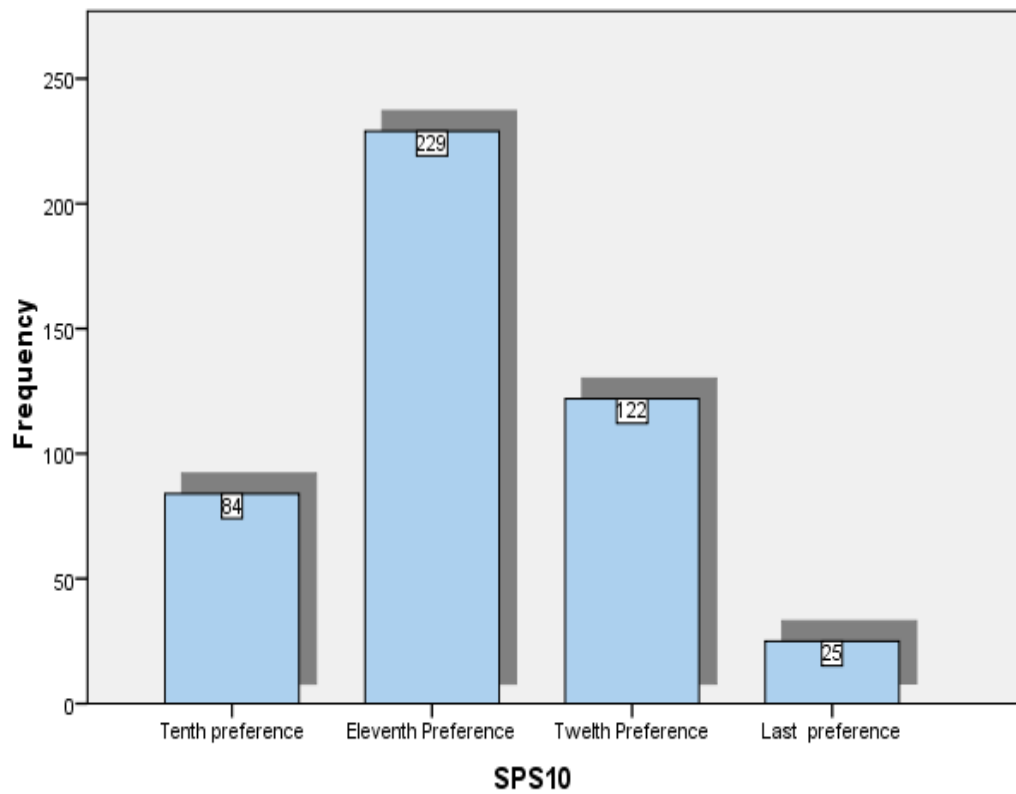




### 5.41 SPS10

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tenth preference	84	18.3	18.3	18.3
	Eleventh Preference	229	49.8	49.8	68.0
	Twelfth Preference	122	26.5	26.5	94.6
	Last preference	25	5.4	5.4	100.0
	Total	460	100.0	100.0	

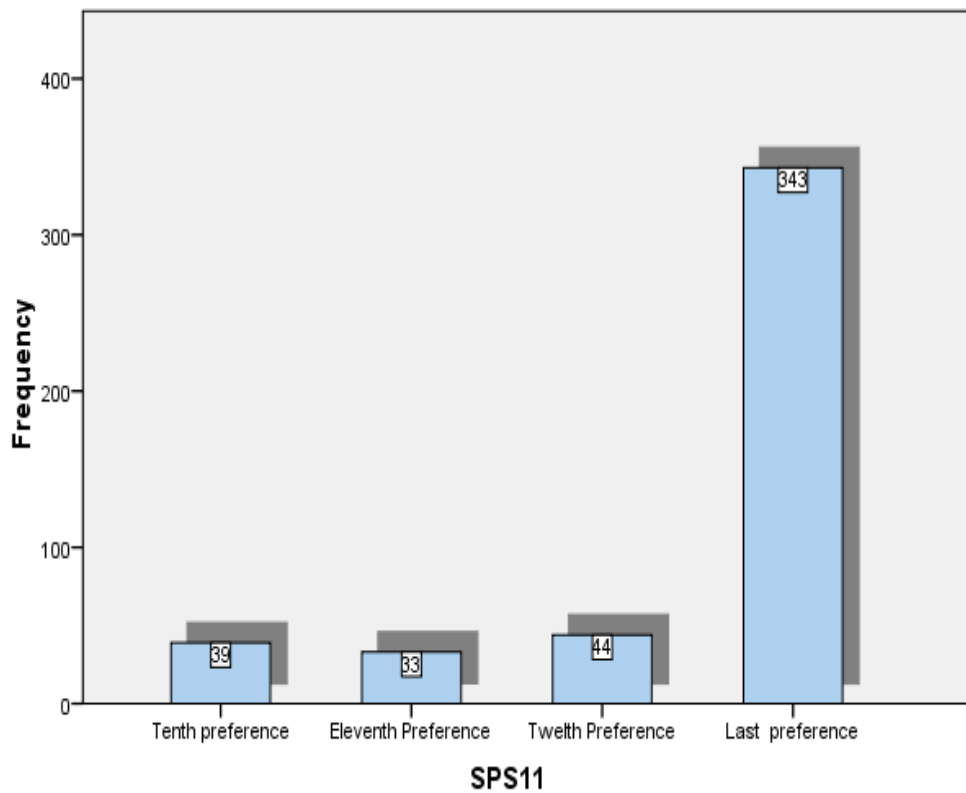
### SPS10



### 5.42 SPS11

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tenth preference	39	8.5	8.5	8.5
	Eleventh Preference	33	7.2	7.2	15.7
	Twelfth Preference	44	9.6	9.6	25.3
	Last preference	343	74.6	74.7	100.0
	Total	459	99.8	100.0	
Missing	System	1	.2		
Total		460	100.0		

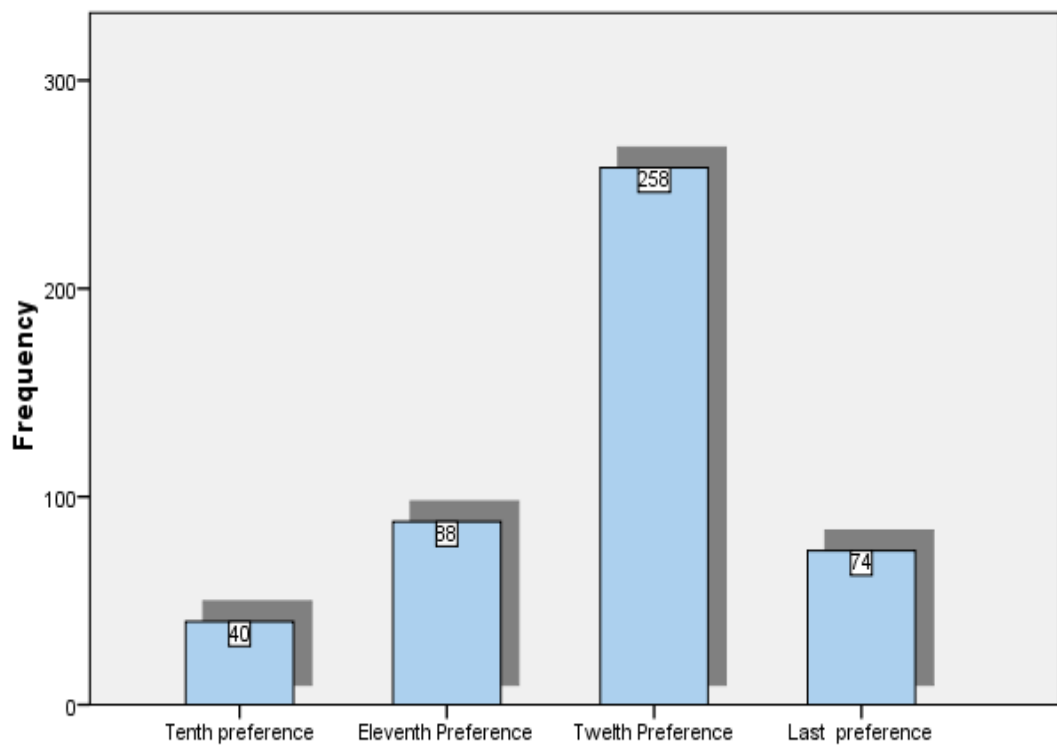
### SPS11



### 5.43 SPS12

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tenth preference	40	8.7	8.7	8.7
	Eleventh Preference	88	19.1	19.1	27.8
	Twelfth Preference	258	56.1	56.1	83.9
	Last preference	74	16.1	16.1	100.0
	Total	460	100.0	100.0	

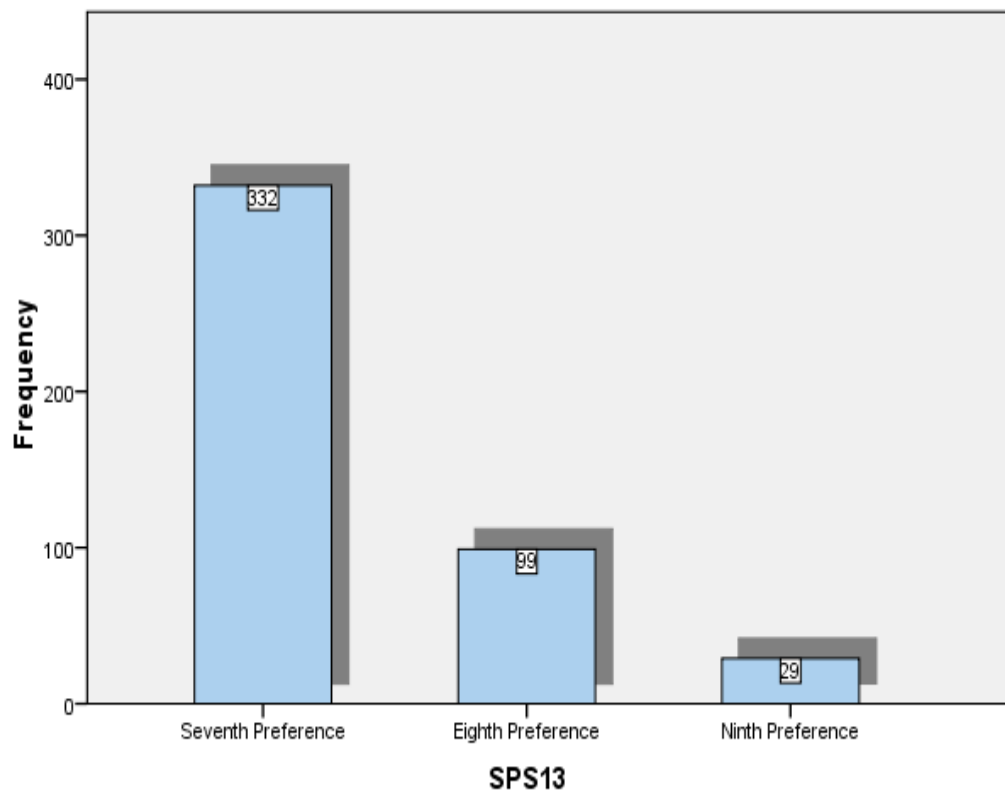
### SPS12



#### 5.44 SPS13

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Seventh Preference	332	72.2	72.2	72.2
	Eighth Preference	99	21.5	21.5	93.7
	Ninth Preference	29	6.3	6.3	100.0
	Total	460	100.0	100.0	

#### SPS13



**5.8 Ho<sub>6</sub>: There is no significant difference between demographic variables and sales promotion schemes preference.**

**Ho<sub>61</sub>: These is no significance difference between preference of sales promotion schemes and Gender**

#### **5.45.1 Ranks**

	Gender	N	Mean Rank
SPS1	Male	281	223.01
	Female	179	242.27
	Total	460	
SPS2	Male	281	243.86
	Female	179	209.53
	Total	460	
SPS3	Male	281	217.69
	Female	179	250.60
	Total	460	
SPS4	Male	281	231.25
	Female	179	229.32
	Total	460	
SPS5	Male	281	234.69
	Female	179	223.92
	Total	460	
SPS6	Male	281	231.30
	Female	179	229.25
	Total	460	
SPS7	Male	281	237.37
	Female	179	219.71
	Total	460	
SPS8	Male	281	226.92
	Female	179	236.12
	Total	460	

SPS9	Male	281	229.03
	Female	179	232.80
	Total	460	
SPS10	Male	281	216.87
	Female	179	251.89
	Total	460	
SPS11	Male	281	234.41
	Female	178	223.04
	Total	459	
SPS12	Male	281	233.17
	Female	179	226.32
	Total	460	
SPS13	Male	281	233.94
	Female	179	225.10
	Total	460	

#### 5.45.2 Test Statistics<sup>a,b</sup>

	SPS 1	SPS 2	SPS 3	SPS 4	SPS 5	SPS 6	SPS 7	SPS 8	SPS 9	SPS1 0	SPS1 1	SPS1 2	SPS1 3
Chi-Square	2.485	7.654	7.235	.024	.791	.027	2.422	.823	.129	8.911	1.380	.358	.788
Df	1	1	1	1	1	1	1	1	1	1	1	1	1
Asymp. Sig.	.115	.006	.007	.877	.374	.869	.120	.364	.719	.003	.240	.550	.375

a. Kruskal Wallis Test

b. Grouping Variable: Gender

From the calculated Kruskal Wallis test statistics, it can be summarized that SPS2, SPS3 and SPS10 preference differs according to gender ( $0.006 < 0.05$ ,  $0.007 < 0.05$  and  $0.003 < 0.05$ , respectively).

**Ho<sub>62</sub>: There is no significance difference between preference of sales promotion schemes and Employment status.**

#### **5.46.1 Kruskal Wallis Test:**

Ranks			
Employment Status		N	Mean Rank
SPS1	Self employed	106	228.89
	Government Employee	45	248.89
	Non Government employee	47	240.33
	Not employed	262	226.23
	Total	460	
SPS2	Self employed	106	248.09
	Government Employee	45	223.83
	Non Government employee	47	231.16
	Not employed	262	224.41
	Total	460	
SPS3	Self employed	106	239.80
	Government Employee	45	213.56
	Non Government employee	47	277.81
	Not employed	262	221.16
	Total	460	
SPS4	Self employed	106	215.95
	Government Employee	45	238.73
	Non Government employee	47	218.23
	Not employed	262	237.17
	Total	460	

SPS5	Self employed	106	224.60
	Government Employee	45	223.83
	Non Government employee	47	198.04
	Not employed	262	239.85
	Total	460	
SPS6	Self employed	106	230.07
	Government Employee	45	248.10
	Non Government employee	47	226.94
	Not employed	262	228.29
	Total	460	
SPS7	Self employed	106	248.63
	Government Employee	45	244.72
	Non Government employee	47	240.23
	Not employed	262	218.98
	Total	460	
SPS8	Self employed	106	225.12
	Government Employee	45	225.01
	Non Government employee	47	234.16
	Not employed	262	232.96
	Total	460	
SPS9	Self employed	106	220.87
	Government Employee	45	246.19
	Non Government employee	47	245.35
	Not employed	262	229.04
	Total	460	
SPS10	Self employed	106	215.47
	Government Employee	45	225.99
	Non Government employee	47	212.83
	Not employed	262	240.52
	Total	460	
SPS11	Self employed	106	238.19
	Government Employee	45	228.87
	Non Government employee	47	219.16
	Not employed	261	228.82



	Total	459	
SPS12	Self employed	106	221.72
	Government Employee	45	237.30
	Non Government employee	47	241.18
	Not employed	262	230.97
	Total	460	
SPS13	Self employed	106	237.59
	Government Employee	45	213.87
	Non Government employee	47	216.94
	Not employed	262	232.92
	Total	460	

#### 5.46.2 Test Statistics<sup>a,b</sup>

	SPS 1	SPS 2	SPS 3	SPS 4	SPS 5	SPS 6	SPS 7	SPS 8	SPS 9	SPS1 0	SPS1 1	SPS1 2	SPS1 3
Chi-Square	1.520	2.645	9.172	2.589	4.880	.941	5.903	.591	2.652	4.376	1.277	1.093	2.578
Df	3	3	3	3	3	3	3	3	3	3	3	3	3
Asymp. Sig.	.678	.450	.027	.459	.181	.816	.116	.898	.448	.224	.735	.779	.461

- a. Kruskal Wallis Test
- b. Grouping Variable: Employment Status

From the calculated Kruskal Wallis test statistics, it can be summarized that SPS3 preference differs according to Employment status ( $0.027 < 0.05$ ). Also from Mean rank it is clear that Non Government Employees' preference of SPS3 significantly higher than other employment categories.

**Ho<sub>63</sub>: There is no significance difference between preference of sales promotion schemes and Educational qualification.**

**Kruskal Wallis Test:**

**5.47.1 Ranks**

	Educational Qualification	N	Mean Rank
SPS1	Below primary	15	273.07
	Primary	42	253.21
	Higher secondary	76	236.16
	Graduate	199	219.64
	Post graduate	122	232.18
	Above postgraduate	6	219.58
	Total	460	
SPS2	Below primary	15	228.53
	Primary	42	233.14
	Higher secondary	76	231.29
	Graduate	199	238.45
	Post graduate	122	218.43
	Above postgraduate	6	188.75
	Total	460	
SPS3	Below primary	15	296.90
	Primary	42	237.79
	Higher secondary	76	251.99
	Graduate	199	209.81
	Post graduate	122	241.53
	Above postgraduate	6	203.17
	Total	460	
SPS4	Below primary	15	208.40
	Primary	42	207.58
	Higher secondary	76	225.80
	Graduate	199	238.55
	Post graduate	122	229.75
	Above postgraduate	6	253.92
	Total		

	Total	460	
SPS5	Below primary	15	154.80
	Primary	42	214.04
	Higher secondary	76	205.67
	Graduate	199	243.18
	Post graduate	122	236.44
	Above postgraduate	6	308.25
	Total	460	
SPS6	Below primary	15	228.57
	Primary	42	233.54
	Higher secondary	76	248.93
	Graduate	199	225.60
	Post graduate	122	227.01
	Above postgraduate	6	214.25
	Total	460	
SPS7	Below primary	15	225.80
	Primary	42	218.40
	Higher secondary	76	235.47
	Graduate	199	219.20
	Post graduate	122	247.38
	Above postgraduate	6	295.42
	Total	460	
SPS8	Below primary	15	221.00
	Primary	42	230.04
	Higher secondary	76	225.88
	Graduate	199	236.93
	Post graduate	122	226.56
	Above postgraduate	6	182.83
	Total	460	
SPS9	Below primary	15	236.90
	Primary	42	260.43
	Higher secondary	76	242.11
	Graduate	199	226.65
	Post graduate	122	219.75

	Above postgraduate	6	204.33
	Total	460	
SPS10	Below primary	15	251.33
	Primary	42	258.40
	Higher secondary	76	203.25
	Graduate	199	231.15
	Post graduate	122	237.09
	Above postgraduate	6	172.92
	Total	460	
SPS11	Below primary	15	211.00
	Primary	42	218.26
	Higher secondary	76	238.74
	Graduate	198	233.52
	Post graduate	122	226.15
	Above postgraduate	6	211.08
	Total	459	
SPS12	Below primary	15	240.77
	Primary	42	217.45
	Higher secondary	76	229.79
	Graduate	199	239.11
	Post graduate	122	219.39
	Above postgraduate	6	245.67
	Total	460	
SPS13	Below primary	15	209.60
	Primary	42	200.33
	Higher secondary	76	222.90
	Graduate	199	237.70
	Post graduate	122	235.53
	Above postgraduate	6	249.00
	Total	460	

5.47.2 Test Statistics <sup>a,b</sup>													
	SPS1	SPS2	SPS3	SPS4	SPS5	SPS6	SPS7	SPS8	SPS9	SPS10	SPS11	SPS12	SPS13
Chi-Square	4.645	2.448	12.704	2.771	13.536	2.026	6.657	2.380	5.799	8.034	2.291	2.786	5.958
Df	5	5	5	5	5	5	5	5	5	5	5	5	5
Asymp. Sig.	.461	.784	.026	.735	.019	.846	.247	.794	.326	.154	.808	.733	.310

- a. Kruskal Wallis Test
- b. Grouping Variable: Educational Qualification

From the calculated Kruskal Wallis test statistics, it can be summarized that SPS3 and SPS5 preference differs according to Employment status ( $0.026 < 0.05$  and  $0.019 < 0.05$ , respectively). Also from Mean rank it is clear those respondents up to Higher education as the education level's preference of SPS3 significantly higher than other employment categories. Furthermore graduates prefer SPS5 compare to other respondents.

**Ho<sub>64</sub>: There is no significance difference between preference of sales promotion schemes and Family Income.**

#### **5.48.1 Kruskal Wallis Test:**

##### **Ranks**

	Family Income	N	Mean Rank
SPS1	Below 1 lakh	82	235.91
	1 to 2 lakhs	148	229.45
	2 to 3 lakhs	102	234.12
	3 to 4 lakhs	58	212.13
	4 to 5 lakhs	32	232.53
	Above 5 lakhs	38	239.50
	Total	460	
SPS2	Below 1 lakh	82	233.49
	1 to 2 lakhs	148	230.71
	2 to 3 lakhs	102	230.92
	3 to 4 lakhs	58	226.33
	4 to 5 lakhs	32	248.69
	Above 5 lakhs	38	213.14
	Total	460	
SPS3	Below 1 lakh	82	235.50
	1 to 2 lakhs	148	247.69
	2 to 3 lakhs	102	222.84
	3 to 4 lakhs	58	209.98
	4 to 5 lakhs	32	244.38
	Above 5 lakhs	38	192.97
	Total	460	
SPS4	Below 1 lakh	82	211.51
	1 to 2 lakhs	148	221.14
	2 to 3 lakhs	102	236.00
	3 to 4 lakhs	58	240.56
	4 to 5 lakhs	32	267.33
	Above 5 lakhs	38	246.80
	Total	460	

	Total	460	
SPS5	Below 1 lakh	82	216.41
	1 to 2 lakhs	148	228.33
	2 to 3 lakhs	102	238.86
	3 to 4 lakhs	58	250.24
	4 to 5 lakhs	32	204.06
	Above 5 lakhs	38	239.01
	Total	460	
SPS6	Below 1 lakh	82	246.56
	1 to 2 lakhs	148	232.35
	2 to 3 lakhs	102	212.95
	3 to 4 lakhs	58	245.27
	4 to 5 lakhs	32	188.94
	Above 5 lakhs	38	248.18
	Total	460	
SPS7	Below 1 lakh	82	241.08
	1 to 2 lakhs	148	224.61
	2 to 3 lakhs	102	227.86
	3 to 4 lakhs	58	198.39
	4 to 5 lakhs	32	264.50
	Above 5 lakhs	38	258.08
	Total	460	
SPS8	Below 1 lakh	82	219.94
	1 to 2 lakhs	148	227.56
	2 to 3 lakhs	102	233.51
	3 to 4 lakhs	58	245.66
	4 to 5 lakhs	32	253.17
	Above 5 lakhs	38	214.42
	Total	460	
SPS9	Below 1 lakh	82	254.24
	1 to 2 lakhs	148	227.89
	2 to 3 lakhs	102	210.68
	3 to 4 lakhs	58	233.72
	4 to 5 lakhs	32	213.12

	Above 5 lakhs	38	252.37
	Total	460	
SPS10	Below 1 lakh	82	242.18
	1 to 2 lakhs	148	234.08
	2 to 3 lakhs	102	220.53
	3 to 4 lakhs	58	235.40
	4 to 5 lakhs	32	233.47
	Above 5 lakhs	38	208.12
	Total	460	
SPS11	Below 1 lakh	82	210.98
	1 to 2 lakhs	148	241.68
	2 to 3 lakhs	102	228.27
	3 to 4 lakhs	58	228.88
	4 to 5 lakhs	32	221.86
	Above 5 lakhs	37	239.01
	Total	459	
SPS12	Below 1 lakh	82	235.70
	1 to 2 lakhs	148	224.88
	2 to 3 lakhs	102	249.83
	3 to 4 lakhs	58	225.16
	4 to 5 lakhs	32	206.12
	Above 5 lakhs	38	217.97
	Total	460	
SPS13	Below 1 lakh	82	207.20
	1 to 2 lakhs	148	232.57
	2 to 3 lakhs	102	237.01
	3 to 4 lakhs	58	237.79
	4 to 5 lakhs	32	235.84
	Above 5 lakhs	38	239.61
	Total	460	



#### 5.48.2 Test Statistics<sup>a,b</sup>

	SPS 1	SPS 2	SPS 3	SPS 4	SPS 5	SPS 6	SPS 7	SPS 8	SPS 9	SPS1 0	SPS1 1	SPS1 2	SPS1 3
Chi-Square	1.635	1.413	8.299	6.148	4.485	7.895	9.988	4.534	9.642	2.919	5.418	4.995	5.222
Df	5	5	5	5	5	5	5	5	5	5	5	5	5
Asymp. Sig.	.897	.923	.140	.292	.482	.162	.076	.475	.086	.713	.367	.417	.389

- a. Kruskal Wallis Test
- b. Grouping Variable: Family Income

From the calculated Kruskal Wallis test statistics, it can be summarized that none of the scheme preference differs according to Family Income.

**Ho<sub>65</sub>: There is no significance difference between preference of sales promotion schemes and Family size.**

**5.49.1 Kruskal Wallis Test:**

**Ranks**

	No. of Family members	N	Mean Rank
SPS1	Two	7	201.50
	Three	43	202.63
	Four	166	187.58
	Five	122	202.43
	Six	55	208.41
	Total	393	
SPS2	Two	7	120.14
	Three	43	212.70
	Four	166	198.89
	Five	122	203.84
	Six	55	173.64
	Total	393	
SPS3	Two	7	220.14
	Three	43	216.47
	Four	166	197.81
	Five	122	176.27
	Six	55	222.35
	Total	393	
SPS4	Two	7	207.64
	Three	43	204.76
	Four	166	202.36
	Five	122	194.17
	Six	55	179.66
	Total	393	

SPS5	Two	7	225.07
	Three	43	186.86
	Four	166	195.08
	Five	122	203.32
	Six	55	193.14
	Total	393	
SPS6	Two	7	153.07
	Three	43	167.62
	Four	166	199.06
	Five	122	206.97
	Six	55	197.24
	Total	393	
SPS7	Two	7	202.07
	Three	43	203.64
	Four	166	189.00
	Five	122	208.12
	Six	55	190.65
	Total	393	
SPS8	Two	7	185.57
	Three	43	166.14
	Four	166	205.43
	Five	122	192.41
	Six	55	207.30
	Total	393	
SPS9	Two	7	226.64
	Three	43	190.53
	Four	166	196.63
	Five	122	191.44
	Six	55	211.75
	Total	393	
SPS10	Two	7	203.64
	Three	43	203.98
	Four	166	198.78
	Five	122	185.18

	Six	55	211.54
	Total	393	
SPS11	Two	7	190.00
	Three	43	203.52
	Four	166	188.40
	Five	122	201.01
	Six	55	209.85
	Total	393	
SPS12	Two	7	218.71
	Three	43	174.98
	Four	166	202.48
	Five	122	201.51
	Six	55	184.92
	Total	393	
SPS13	Two	7	143.00
	Three	43	229.23
	Four	166	189.78
	Five	122	200.25
	Six	55	193.25
	Total	393	

#### 5.49.2 Test Statistics<sup>a,b</sup>

	SPS 1	SPS 2	SPS 3	SPS 4	SPS 5	SPS 6	SPS 7	SPS 8	SPS 9	SPS1 0	SPS1 1	SPS1 2	SPS1 3
Chi-Square	2.26	7.17	9.08	2.05	1.40	5.16	2.89	7.33	2.72	2.862	3.408	3.801	9.627
df	2	3	3	9	0	2	0	9	3	4	4	4	4
Asymp. Sig.	.688	.127	.059	.725	.844	.271	.576	.119	.605	.581	.492	.434	.047

a. Kruskal Wallis Test

b. Grouping Variable: Family size

From the calculated Kruskal Wallis test statistics, it can be summarized that none of the scheme preference differs according to Family size.

**Ho<sub>66</sub>: There is no significance difference between preference of sales promotion schemes and Family type.**

#### **5.50.1 Mann Whitney Test:**

<b>Ranks</b>				
	<b>Family Type</b>	<b>N</b>	<b>Mean Rank</b>	<b>Sum of Ranks</b>
SPS1	Joint Family	129	243.94	31468.00
	Individual Family	331	225.26	74562.00
	Total	460		
SPS2	Joint Family	129	231.19	29823.50
	Individual Family	331	230.23	76206.50
	Total	460		
SPS3	Joint Family	129	231.92	29917.50
	Individual Family	331	229.95	76112.50
	Total	460		
SPS4	Joint Family	129	206.86	26685.00
	Individual Family	331	239.71	79345.00
	Total	460		
SPS5	Joint Family	129	226.37	29202.00
	Individual Family	331	232.11	76828.00
	Total	460		
SPS6	Joint Family	129	244.33	31518.50
	Individual Family	331	225.11	74511.50
	Total	460		
SPS7	Joint Family	129	237.41	30625.50
	Individual Family	331	227.81	75404.50
	Total	460		
SPS8	Joint Family	129	233.32	30098.50
	Individual Family	331	229.40	75931.50
	Total	460		

SPS9	Joint Family	129	232.93	30047.50
	Individual Family	331	229.55	75982.50
	Total	460		
SPS10	Joint Family	129	221.84	28617.00
	Individual Family	331	233.88	77413.00
	Total	460		
SPS11	Joint Family	128	227.19	29080.50
	Individual Family	331	231.09	76489.50
	Total	459		
SPS12	Joint Family	129	245.32	31646.50
	Individual Family	331	224.72	74383.50
	Total	460		
SPS13	Joint Family	129	215.94	27856.00
	Individual Family	331	236.18	78174.00
	Total	460		

5.50.2 Test Statistics <sup>a</sup>													
	SPS 1	SPS 2	SPS 3	SPS 4	SPS 5	SPS6	SPS7	SPS8	SPS9	SPS 10	SPS1 1	SPS1 2	SPS1 3
Man-Whitney U	19616.0	21260.50	21166.50	18300.0	20817.0	19565.50	20458.50	20985.50	21036.50	20232.00	20824.50	19437.50	19471.0
Wilcoxon W	74562.00	76206.50	76112.50	26685.0	29202.0	74511.500	75404.500	75931.500	75982.500	28617.0	29080.500	74383.500	27856.000
Z	-1.408	-.071	-.148	-2.422	-.437	-1.427	-.779	-.356	-.297	-.945	-.370	-1.657	-1.872
Asymp. Sig. (2-tailed)	.159	.943	.882	.015	.662	.154	.436	.722	.767	.344	.711	.098	.061

a. Grouping variable : Family Type

From the calculated Kruskal Wallis test statistics, it can be summarized that SPS4 is preferred significantly different between categories of family type. Also, it is clear from mean rank data individual family prefer SPS4 over joint family.

**H<sub>067</sub>: There is no significance difference between preference of sales promotion schemes and Marital Status.**

#### 5.51.1 Mann Whitney Test:

##### Ranks

	Marital Status	N	Mean Rank	Sum of Ranks
SPS1	Married	231	244.42	56461.00
	Unmarried	229	216.46	49569.00
	Total	460		
SPS2	Married	231	236.34	54595.50
	Unmarried	229	224.60	51434.50
	Total	460		
SPS3	Married	231	249.34	57597.50
	Unmarried	229	211.50	48432.50
	Total	460		
SPS4	Married	231	216.05	49906.50
	Unmarried	229	245.08	56123.50
	Total	460		
SPS5	Married	231	216.53	50017.50
	Unmarried	229	244.60	56012.50
	Total	460		
SPS6	Married	231	225.76	52150.00
	Unmarried	229	235.28	53880.00
	Total	460		
SPS7	Married	231	236.65	54665.00
	Unmarried	229	224.30	51365.00
	Total	460		

SPS8	Married	231	222.78	51462.50
	Unmarried	229	238.29	54567.50
	Total	460		
SPS9	Married	231	233.88	54025.50
	Unmarried	229	227.09	52004.50
	Total	460		
SPS10	Married	231	230.78	53310.00
	Unmarried	229	230.22	52720.00
	Total	460		
SPS11	Married	231	229.08	52916.50
	Unmarried	228	230.94	52653.50
	Total	459		
SPS12	Married	231	224.77	51921.50
	Unmarried	229	236.28	54108.50
	Total	460		
SPS13	Married	231	226.91	52415.50
	Unmarried	229	234.12	53614.50
	Total	460		



5.51.2 Test Statistics <sup>a</sup>													
	SPS1	SPS2	SPS3	SPS4	SPS5	SPS6	SPS7	SPS8	SPS9	SPS1 0	SPS1 1	SPS1 2	SPS1 3
Man n- Whit ney U	2323 4.000	2509 9.500	2209 7.500	2311 0.500	2322 1.500	2535 4.000	2503 0.000	2466 6.500	2566 9.500	2638 5.000	2612 0.500	2512 5.500	2561 9.500
Wilc oxon W	4956 9.000	5143 4.500	4843 2.500	4990 6.500	5001 7.500	5215 0.000	5136 5.000	5146 2.500	5200 4.500	5272 0.000	5291 6.500	5192 1.500	5241 5.500
Z	- 2.347	-.970	- 3.172	- 2.383	- 2.379	-.787	- 1.115	- 1.569	-.664	-.049	-.197	- 1.031	-.743
Asy mp. Sig. (2- taile d)	.019	.332	.002	.017	.017	.431	.265	.117	.507	.961	.844	.303	.457

Grouping Variable: Marital Status

From the calculated Kruskal Wallis test statistics, it can be summarized that SPS3, SPS4 and SPS5 preference differs according to Marital status ( $0.002 < 0.05$ ,  $0.017 < 0.05$  and  $0.017 < 0.05$ , respectively). Also from Mean rank it is clear Married prefer SPS3 and unmarried prefer SPS4 and SPS5.

## 5.9 Conjoint Analysis to measure customer's Sales promotion scheme Preference:

### 5.52 Orthogonal Design:

#### Sales Promotion Schemes:

	Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
1	1	International	POP	value added	Delay
2	2	National	WOM	value added	Immediate
3	3	International	WOM	Price Off	Immediate
4	4	Local	Mass media	value added	Immediate
5	5	Local	WOM	Price Off	Delay
6	6	National	POP	Price Off	Immediate
7	7	National	Mass media	Price Off	Delay
8	8	Local	POP	Price Off	Immediate
9	9	International	Mass media	Price Off	Immediate
10 <sup>a</sup>	10	International	Mass media	Price Off	Delay
11 <sup>a</sup>	11	Local	Mass media	Price Off	Delay
12 <sup>a</sup>	12	Local	POP	Price Off	Delay
13 <sup>a</sup>	13	National	Mass media	Price Off	Immediate

a. Holdout

#### 5.52.1 Profile Number 1:

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
1	International	Point of purchase material	Value added	Delayed

#### 5.52.2 Profile Number 2

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
2	National	WOM	value added	Immediate

#### 5.52.3 Profile Number 3

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
3	International	WOM	Price Off	Immediate

#### 5.52.4 Profile Number 4

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
4	Local	Mass media	value added	Immediate

#### 5.52.5 Profile Number 5

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
5	Local	WOM	Price Off	Delay

#### 5.52.6 Profile Number 6

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type

#### 5.52.6 Profile Number 6

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
6	National	POP	Price Off	Immediate

#### 5.52.7 Profile Number 7

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
7	National	Mass media	Price Off	Delay

#### 5.52.8 Profile Number 8

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
8	Local	POP	Price Off	Immediate

#### 5.52.9 Profile Number 9

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
9	International	Mass media	Price Off	Immediate

#### 5.52.10 Profile Number 10

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type

#### 5.52.10 Profile Number 10

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
10	International	Mass media	Price Off	Delay

#### 5.52.11 Profile Number 11

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
11	Local	Mass media	Price Off	Delay

#### 5.52.12 Profile Number 12

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
12	Local	POP	Price Off	Delay

#### 5.52.13 Profile Number 13

Card ID	Brand Type	Sales Promotion Schemes Awareness	Sales Promotion Types	Incentive Type
13	National	Mass media	Price Off	Immediate

### 5.53 Running conjoint analysis:

#### Model Description

	N of Levels	Relation to Ranks or Scores
Brand type	3	Discrete
Awareness	3	Discrete
Scheme type	2	Discrete
incentive	2	Discrete

#### 5.54 Utilities

		Utility Estimate	Std. Error
Brand type	International	.286	1.463
	National	-.244	1.463
	Local	-.041	1.463
Awareness	Mass media	-1.526	1.463
	POP	.050	1.463
	WOM	1.476	1.463
Scheme type	Price Off	-1.021	1.097
	value added	1.021	1.097
Incentive	Immediate	.098	1.097
	Delay	-.098	1.097
(Constant)		5.307	1.157

Utility score for international brand is 0.286 highest among the other brand types. It means Sales promotion on international brand is preferred. Word of mouth publicity as a source of sales promotion schemes information is preferred over other media types. Value added is preferred over price off while immediate benefits has score more on utility compared to delayed benefits.

### 5.55 Importance Values

Brand type	21.691
Awareness	40.623
Scheme type	25.753
incentive	11.933

Averaged Importance Score

### 5.56 Correlations<sup>a</sup>

	Value	Sig.
Pearson's R	.733	.012
Kendall's tau	.278	.149
Kendall's tau for Holdouts	.000	.500
a. Correlations between observed and estimated preferences		

From the above table most important factor for the sales promotion schemes preference is how marketer creates Awareness about sales promotion schemes. On second important is the scheme type. Then after brand type and followed by incentive types.

Overall, Sales promotion scheme on international brand, awareness spread out by word of mouth, Scheme is value added type with immediate benefit is preferred by the customers.

## **Chapter 6**

### **Conclusions, Findings and Managerial Implication**

6.1 Summary of Findings and Conclusions

6.2 Suggestions

6.3 Further Scope of the Research

6.4 Managerial Implications

6.5 References



## Chapter 6

### Conclusions, Findings and Managerial Implication

#### 6.1 Summary of Findings and Conclusions:

Cash discount is one of the widely used Sales promotions Scheme on various FMCG Products. Testing the hypothesis, it is found that male and female attitude towards the cash discount as one of the sales promotion schemes do not differ significantly. In other words, both gender categories have same attitude towards cash discount. Also, it does not differ according to various Employment statuses, family size, (Number of family members), family type (joint or individual family) and marital status (Married or Unmarried) of the respondents.

Educational Qualifications as one of the Categorical Independent variable does not have any significant difference in terms of attitude towards the cash discount. While, it is found that there is a significant difference among various family income categories towards cash discount offered on various FMCG products. So, Family income is one of the variables which should be considered while designing sales promotion schemes more specifically cash discount.

There is significant difference between consumer preference of cash discount and free gift as sales promotion schemes. It is also very clear that consumers prefer cash discount as a sales promotion schemes compare to free gift as a sales promotion scheme.

It is also concluded from the hypothesis testing there is no significance difference between consumer deal proneness and Gender, Employment status, Educational Qualification, Family income, Family size and Family type. But it is found that deal proneness differs according to marital status. Furthermore, it is also proved that married are more deal prone compare to Unmarried. It may be because of unmarried may enjoy the freedom of spending without additional responsibilities of the family while married are deal prone may be because so many alternative of spending and

additional responsibilities of family. So they would like to take the advantage of sales promotion schemes and ready to postpone the purchase to avail the benefits of the sales promotion schemes.

It is also concluded that there is no significant difference between brand equity perception and Gender, Educational Qualification, Employment Status, Family size and Family Type.

It is clear from Welch statistics significance value ( $0.036 < 0.05$ ) and supported by Brown- Forsythe ( $0.023 < 0.05$ ) that there is a significance difference among various Employment categories towards Brand equity perception. Also it is analyzed that there is significance difference between Brand Equity perceptions and marital status as of the demographic variables.

While designing the sales promotion schemes considering long term objective of building the brand equity Employment categories (Self Employed, Government Employee, Non Government Employee and Not employed) and Marital status of the customers should be considered. Furthermore, it will be helpful to customize the sales promotion scheme according to the profile of the customers and/or potential customers.

From the calculated median values and test statistics, it is summarized that newspaper and point of purchase material preference to know sales promotion schemes differs according to Gender. Also, it can be referred that male prefers the newspaper and point of purchase material as a source to know sales promotion schemes over female.

From the calculated median values and test statistics, it can be summarized that television preference differs according to employment status to know the sales promotion schemes information. Also it is concluded that from the median ranking the customers who are not employed prefer television to be aware about the sales promotion schemes.

It is also summarized that Wall paintings and internet preference differs according to educational qualifications to know the sales promotion schemes information. The

relationship is also confirmed by the cross tabulation as shown in the analysis and interpretation. While using wall painting and/or Internet as a medium of spreading the awareness of sales promotion schemes educational qualification of the customers can't be avoided. Besides, it is concluded that Graduate, Post graduate and above prefer internet and do not prefer wall painting as a medium of knowing the sales promotion schemes.

It is concluded from the calculated median values and test statistics that banners, Wall paintings, News paper, Point of purchase material, Hoarding and Internet preference differs according to family income to know the sales promotion schemes information. So, Family Income of the customers is also one of the important variables to consider while deciding the media for sales promotion schemes.

From the calculated Mann Whitney and Two sample Kolmogorov - Smirnov statistics, it is also summarized that there is no significance difference among media considering family type.

Apart from it, from the calculated Mann Whitney and Two sample Kolmogorov - Smirnov statistics, it can be summarized that there is significance difference among media preference, particularly point of purchase material and internet considering marital status. Also it is clear from the rank statistics unmarried prefer point of purchase over married and married prefer internet over unmarried.

It is found out that Male prefer Sales promotion scheme on National Brand, Awareness through Word of mouth, value added and immediate benefits type schemes over female. While Female prefers International brand, Awareness through word of mouth, Price off and Immediate benefits type of Scheme over male. Also there is a significance difference of the International brand, Awareness through Mass media price off and delayed benefits type of schemes considering gender. Female prefers this type of scheme over male.

From the test statistics, it can be summarized that SPS3 (Scheme on International Brand, Awareness through Word of mouth, Price off and Immediate Benefits type of

Scheme) preference differs according to Employment status ( $0.027 < 0.05$ ). Also from Mean rank it is clear that Non Government Employees' preference of SPS3 (Scheme on International Brand, Awareness through Word of mouth, Price off and Immediate Benefits type of Scheme) significantly higher than other employment categories.

It can be concluded that SPS3 (Scheme on International Brand, Awareness through Word of mouth, Price off and Immediate Benefits type of Scheme) and SPS5 (Scheme on Local Brand, Awareness through Word of mouth, Price off and Delayed Benefits type of Scheme) preference differs according to Employment status. Also from Mean rank it is clear those respondents up to Higher education as the education level's preference of SPS3 significantly higher than other employment categories. Furthermore graduates prefer SPS5 compare to other respondents.

It can be summarized that none of the scheme preference differs according to Family Income and Family size. . Also, it is clear from mean rank data individual family prefers SPS4 (Scheme on Local Brand, Awareness through Mass Media, value added type and Immediate benefits types scheme) over joint family.

Also from Mean rank it is clear Married prefer SPS3 (Scheme on International Brand, Awareness through word of mouth, price off and immediate type benefits types) and unmarried prefer SPS4 (Scheme on Local Brand, Awareness through Mass Media, value added type and Immediate benefits types scheme) and SPS5 (Scheme on Local Brand, Awareness through Word of mouth, Price off and Delayed Benefits type of Scheme).

From the conjoint analysis, Utility score for international brand is highest among the other brand types. It means Sales promotion on international brand is preferred. Word of mouth publicity as a source of sales promotion schemes information is preferred over other media types. Value added is preferred over price off while immediate benefits has score more on utility compared to delayed benefits.

Overall, Sales promotion scheme on international brand, awareness spread out by word of mouth, Scheme is value added type with immediate benefit is preferred by the customers. So while designing sales promotion schemes and its benefits from the perspectives of the customers above mentioned attributes of the sales promotion schemes should be considered to achieve the objectives of the sales promotion schemes.

## **6.2 Suggestions:**

Analyzing the information of sales promotion schemes on various FMCG products, it can be inferred that cash discount and Free gift as one type of value added sales promotion schemes widely used by marketers. It can be suggested from this research that cash discount should be used compare to free gift as a sales promotion scheme.

Extending further, it can be suggested from conjoint analysis considering various attributes and their levels of sales promotion schemes value added schemes should be given preference over other types of sales promotion schemes.

Sales promotion schemes on international brand are preferred therefore managing the perception towards brand is also very important in FMCG sector. So, it is suggested to manage the perception towards the brands. Word of mouth as a medium of spreading sales promotion schemes awareness is preferred over others. Considering this fact found in this research, promotion mix of the company should be decided to take the benefits of the sales promotion schemes.

While deciding sales promotion schemes of FMCG products, immediate benefits should be provided to consumers as this research highlights the preference of immediate benefits compare to delayed benefits.

From Present research it can be suggested that consumers are deal prone which signals the importance of timing of launching sales promotion schemes. Brand type is

the most important attribute among the selected attributes of the sales promotion scheme followed by medium to spread awareness about sales promotion schemes. These both should be given weighted and due consideration while designing the sales promotion schemes.

### **6.3 Further Scope of Research:**

The present research has considered FMCG products to measure the consumer preference towards sales promotion schemes and Brand Equity perception. For, other than FMCG products this type of research can be performed.

This research has taken limited number of demographic variables as independent variables therefore considering more demographic variables; aspiring researches can conduct the research and may come out with interesting relationship.

Further research can be conducted at the national level as this research has been conducted at the Gujarat state level. Brand Loyalty, Brand Awareness, Perceived quality and Brand Association considering sales promotion schemes have been taken as variables for the measurement of Brand equity perception in the study. Adding more variables to this further study can be conducted.

In the present research, consumer's brand equity has been taken while research can also be conducted considering the financial aspects of brand equity. Further more present study has considered the various popular categories of FMCG products. But there is a scope of conducting the research study taking the specific FMCG product category only.

There is a scope of conducting the research study considering other sales promotion schemes apart from widely used and popular sales promotion scheme namely cash discount and free gift for comparing the preference of the consumers.

In the present research, conjoint analysis is used for measuring consumer preference of sales promotion schemes but there are various other alternate methods available to measure the preference which can be adopted.

#### **6.4 Managerial Implication:**

It can be referred from the findings that deal proneness is not the same across demographic variables. This offers the immense scope of segmenting the market based on the consumer deal proneness and designing the marketing strategies according to the target market, more specifically sales promotion strategy.

There are various attributes as well attribute levels which should be considered while designing the sales promotion scheme. From the research study, managers can refer the important attributes and their levels which are important and preferred according to the consumer while responding to the sales promotion scheme to achieve the efficiency and effectiveness of the sales promotion schemes.

Comparing cash discount and free gift widely popular types of consumer sales promotions, cash discount is preferred over free gift, but at the same time among various consumer sales promotion schemes, value added type of sales promotion is preferred over price off according to conjoint analysis which implies that other than free gift as a value added scheme is preferred by the consumers. Considering this findings, manager can design and innovate value added scheme other than free gift.

While taking media mix decision, manager can also consider that word of mouth as medium of spreading awareness of sales promotion scheme is preferred over other medium which helps managers to achieve promotion strategy objectives effectively and efficiently. The present research also provides scope of customizing the sales promotion schemes at various levels.

In today's market scenario, consumers are bombarded with similar monotonous promotional messages, so managers need to design schemes, which will break

through the chaos & create the necessary impact. When consumer sales promotion schemes are given, they should be carefully chosen to ensure that they are relevant to the consumers. This study may provide the useful information in the direction of designing the clutter breaking sales promotion schemes to managers. Also the importance of the role of mass media came out clearly in this research as word of mouth is preferred by other medium.



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## Response Sheet

**Note:** This is for an academic purpose and information provided will be kept strictly confidential.

Dear Respondent, Please read each statement and indicate the actual level of practice of purchasing FMCG products. Circle the number corresponding to your rating for each statement considering below mentioned scale.

1 = Strongly Agree

2= Agree


3= somewhat agree

4= neither agree nor disagree

5= somewhat disagree

6= Disagree

7= strongly disagree

SI No	Items	Strongly agree  Strongly disagree						
		1	2	3	4	5	6	7
1	I do not consider sales promotion schemes while purchasing the products.							
2	I purchase the products with sales promotion schemes.							
3	I enjoy to try products with sales promotion schemes							
4	I think little about sales promotion schemes.							
5	I usually aware about the sales promotion schemes of the product I purchase.							
6	I don't usually bother to aware about sales promotion schemes							
7	I believe it is important to know the sales promotion schemes.							
8	I have found that knowing about sales promotion schemes don't make difference in purchase.							

SI No	Items	Strongly agree ← Strongly disagree						
9	I am not really curious about sales promotion schemes.	1	2	3	4	5	6	7
10	Generally, People are aware about sales promotion schemes of the popular products.	1	2	3	4	5	6	7
11	Products with sales promotion schemes are good products.	1	2	3	4	5	6	7
12	Company provides sales promotion schemes when it is not able to sell.	1	2	3	4	5	6	7
13	If I see people purchasing products with sales promotion schemes, I think they are rational.	1	2	3	4	5	6	7
14	I have often found that sales promotion schemes are available on not so good products	1	2	3	4	5	6	7
15	Sales promotion schemes are designed considering customers need.	1	2	3	4	5	6	7
16	I think customer should not pay attention to sales promotion schemes while purchasing the products.	1	2	3	4	5	6	7
17	Sales promotion schemes are beneficial to me.	1	2	3	4	5	6	7
18	Sales promotion schemes mislead customers from purchasing the good products.	1	2	3	4	5	6	7
19	Sales promotion schemes makes the product favourite	1	2	3	4	5	6	7
20	I usually see products are personalities without considering sales promotion schemes.	1	2	3	4	5	6	7
21	Good products have more frequent sales promotions	1	2	3	4	5	6	7
22	I think sales promotion schemes create the image of the product	1	2	3	4	5	6	7
23	I think cash discount is the good option as a sales promotion scheme	1	2	3	4	5	6	

SI No	Items	Strongly agree $\longleftrightarrow$ Strongly disagree						
24	I enjoy to avail cash discount on purchase							
25	I believe cash discount is not a good option of sales promotion	1	2	3	4	5	6	7
26	I love to receive free gift compare to cash discount							
27	Free gift provided with purchase doesn't have good quality							
28	There is no use of Free gift provided with purchase							
29	I value free gift the most							
30	I prefer to wait to take the advantage of the schemes							
31	I normally buy a brand which is on deal							
32	I never pay attention to schemes							

#### 1. Rank media do you prefer to know the sales promotion schemes information

- |   |                                    |
|---|------------------------------------|
| <input type="checkbox"/> Television                       | <input type="checkbox"/> Newspaper |
| <input type="checkbox"/> Point of Purchase Material       | <input type="checkbox"/> Hoardings |
| <input type="checkbox"/> Banners                          | <input type="checkbox"/> Pamphlet  |
| <input type="checkbox"/> Wall Painting                    | <input type="checkbox"/> Internet  |
| <input type="checkbox"/> If, others please specify: _____ |                                    |

2. Please mention your preference from below mentioned Sales Promotion Schemes.

1 = Most preferred

13 = Least Preferred

Serial No	Brand Type	Awareness	Sales Promotion Types	Incentive Types	Rank
1	International	Point of Purchase Material	Value added	Delayed	
2	National	Word of mouth Publicity	Value added	Immediate	
3	International	Word of mouth Publicity	Price off	Immediate	
4	Local	Mass Media	Value added	Immediate	
5	Local	Word of mouth Publicity	Price off	Delayed	
6	National	Point of Purchase Material	Price off	Immediate	
7	National	Mass Media	Price off	Delayed	
8	Local	Pont of Purchase Material	Price off	Immediate	
9	International	Mass Media	Price off	Immediate	
10	International	Mass Media	Price off	Delayed	
11	Local	Mass Media	Price off	Delayed	
12	Local	Pont of Purchase Material	Price off	Delayed	
13	National	Mass Media	Price off	Immediate	

### 3. Demographic Information:

**3.1 Name:** \_\_\_\_\_

**3.2 Age:** \_\_\_\_\_ Years.

#### 3.3 Gender:

- ☐ Male ☐ Female

#### 3.4 Employment Status:

- ☐ Self Employed ☐ Government Employed  
☐ Not employed ☐ If, Others please specify :  
\_\_\_\_\_

#### 3.5 Educational Qualification:

- ☐ Below Primary ☐ Primary  
☐ Higher Secondary ☐ Graduate  
☐ Post Graduate: ☐ Above post graduate

#### 3.6 Family Income:

- ☐ Below 1 lakh ☐ 1 lakh to 2 lakhs  
☐ 2 to 3 lakhs ☐ 3 to 4 lakhs  
☐ 4 to 5 lakhs ☐ Above 5 lakhs.

**3.7 Family Size:** \_\_\_\_\_

#### 3.8 Family Type:

- ☐ Joint Family  
☐ Individual Family

### 3.9 Marital Status:

- ☐ Married
- ☐ Unmarried
- ☐ Divorced

### 3.10 Contact detail & Address:

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**Thank You!**

## **Scale and Item Description:**

### **Brand Loyalty:**

1. I do not consider sales promotion schemes while purchasing the products.
2. I purchase the products with sales promotion schemes.
3. I enjoy to try products with sales promotion schemes
4. I think little about sales promotion schemes.

### **Brand Awareness:**

1. I usually aware about the sales promotion schemes of the product I purchase.
2. I don't usually bother to aware about sales promotion schemes
3. I believe it is important to know the sales promotion schemes.
4. I have found that knowing about sales promotion schemes don't make difference in purchase.
5. I am not really curious about sales promotion schemes.
6. Generally, People are aware about sales promotion schemes of the popular products.

### **Perceived Quality:**

1. Products with sales promotion schemes are good products.
2. Company provides sales promotion schemes when it is not able to sell.
3. If I see people purchasing products with sales promotion schemes, I think they are rational.
4. I have often found that sales promotion schemes are available on not so good products.
5. Sales promotion schemes are designed considering customers need.
6. I think customer should not pay attention to sales promotion schemes while purchasing the products.



7. Sales promotion schemes are beneficial to me.
8. Sales promotion schemes mislead customers from purchasing the good products.

**Brand Association:**

1. Sales promotion schemes makes the product favourite
2. I usually see products are personalities without considering sales promotion schemes.
3. Good products have more frequent sales promotions
4. I think sales promotion schemes create the image of the product

**Cash discount:**

1. I think cash discount is the good option as a scheme
2. I enjoy to avail cash discount on purchase
3. I believe cash discount is not a good option of scheme

**Free Gift:**

1. I love to receive free gift compare to cash discount
2. Free gift provided with purchase doesn't have good quality
3. There is no use of Free gift provided with purchase
4. I value free gift the most

**Deal Proneness:**

1. I prefer to wait to take the advantage of the schemes
2. I normally buy a brand which is on deal
3. I never pay attention to schemes.